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NASHVILLE GAS COMPANY
Proforma Income Statement
For The Twelve Months Ending May 31,2001

Line No.	Per Books	Adjustments	Per Books As Adjusted	Attrition Adjustments	Attrition Period
	(1)	(2)	(3)	(4)	(5)
OPERATING REVENUES:					
1 Gas Sales Revenues	\$117,506,874	\$0	\$117,506,874	\$23,132,831	\$140,639,705
2 Transportation Revenues	7,518,518	0	7,518,518	(1,602,641)	5,915,877
3 Special Contract Revenues					889,933
4 Other Revenues	7,655,869		7,655,869	(7,110,627)	545,242
5 Forfeited Discounts	875,803	0	875,803		875,803
6 AFUDC		<u>227,614</u>	<u>227,614</u>	<u>(100,095)</u>	<u>127,519</u>
7 Total	\$133,557,064	\$227,614	\$133,784,678	\$14,319,468	\$148,994,079
OPERATING EXPENSES:					
8 Salaries and Wages	\$13,642,959	\$0	\$13,642,959	\$1,398,482	\$15,041,441
9 Cost of Gas	60,696,940	0	60,696,940	10,518,439	71,215,379
10 Distribution Expense	4,869,425	0	4,869,425	859,472	5,728,897
11 Uncollectible Accounts Expense	456,480	0	456,480	(59,595)	396,885
12 Customer Relations Expense	1,247,538	0	1,247,538	131,740	1,379,278
13 Administrative and General	9,772,371	0	9,772,371	(1,234,688)	8,537,683
14 Interest on Customer Deposits		167,175	167,175	10,582	177,757
15 Miscellaneous Expense		0	0	2,509	2,509
16 Depreciation and Amortization	13,106,814	0	13,106,814	1,855,167	14,961,981
17 Taxes Other Than Income	6,445,894	0	6,445,894	416,009	6,861,903
18 State Excise Tax	989,755	15,933	1,005,688	(55,437)	950,251
19 Federal Income Tax	<u>4,502,822</u>	<u>85,241</u>	<u>4,588,063</u>	<u>447,111</u>	<u>5,035,174</u>
20 Total	<u>\$115,730,998</u>	<u>\$268,349</u>	<u>\$115,999,347</u>	<u>\$14,289,791</u>	<u>\$130,289,138</u>
21 Net Operating Income	\$17,826,066	(\$40,735)	\$17,785,331	\$29,676	\$18,704,940
22 Interest Charges	9,179,363	(167,175)	9,012,188	(159,340)	8,852,848
23 Other Income and Deductions (Net of Income Taxes)	<u>4,585</u>	<u>(126,440)</u>	<u>(121,855)</u>	0	<u>(121,855)</u>
24 NET INCOME	\$8,651,288	\$0	\$8,651,288	\$189,016	\$9,730,237
25 RATE BASE	\$216,502,107	\$0	\$216,502,107	\$24,101,683	\$240,603,790
26 RATE OF RETURN	8.23%		8.21%		7.77%

NASHVILLE GAS COMPANY
Retention Factor Calculation

Revenue Requirement	
Gross Revenue	1.000000
Add: Forfeited Discounts	0.006990
Balance	1.006990
Uncollectibles @ .002822	0.002842
Subtotal	1.004148
State Tax @ 6.00%	0.060249
Subtotal	0.943899
Federal Tax @ 35.00%	0.330365
Revenue Requirements of \$1.00	0.613535
Revenue Conversion Factor	1.629900

NASHVILLE GAS COMPANY
Calculation of Compound Growth Factor

Annual Inflation Rate	=	1.8%	
Compound Customer Growth Factor	=	1.0716	
Compound Inflation Factor	=	1.0317	(1.018 X 1.75 Power)
Combined Compound Growth Factor	=	1.1056	(1.0716 X 1.0317)

MARGIN

Rev - 1

**NASHVILLE GAS COMPANY
PRO FORMA MARGIN CALCULATIONS**

Page 1 of 2

(dekatherms)	12 Mon 8/31/99 Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	12 Mon 5/31/01 Growth Adj Thru Attrition Period (4)	Proforma Dekatherms (5)	10/01/1999 Billing Rates (6)	Proforma Margin (7)
Rate Schedule							
Residential 01							
Bills	1,403,882			104,717	1,508,599	\$7.00	\$10,560,194
Winter	6,541,717	1,030,317	7,572,034	635,984	8,208,017	\$2.9884	\$24,528,839
Summer	2,109,852	164,446	2,274,298	174,328	2,448,626	\$2.6255	\$6,428,868
Discounted	13,223		13,223		13,223	\$2.2255	\$29,427
Total Residential	<u>8,664,791</u>	1,194,764	<u>9,859,554</u>	810,312	<u>10,669,866</u>		<u>\$ 41,547,328</u>
Commercial 02							
Bills	188,741			9,359	198,100	\$20.00	\$3,962,004
Winter	4,391,800	509,869	4,901,669	254,451	5,156,120	\$3.2596	\$16,806,890
Summer	1,895,685	174,268	2,069,952	101,449	2,171,402	\$2.8827	\$6,259,499
Discounted	3,272		3,272		3,272	\$2.4827	\$8,124
Total Commercial	<u>6,290,757</u>	684,137	<u>6,974,894</u>	355,900	<u>7,330,794</u>		<u>\$ 27,036,517</u>
Firm Industrial Sales							
Bills	1,295			48	1,343	\$0.00	\$0
Demand dekatherms	144,977			4,594	149,571	\$4.56780	\$683,212
First 1,500	1,059,741	0	1,059,741	65,320	1,125,061	\$0.8034	\$903,874
Next 2,500	279,900	0	279,900	13,082	292,982	\$0.7382	\$216,279
Next 5,000	6,436	0	6,436	0	6,436	\$0.5319	\$3,423
Over 9,000	0	0	0	0	0	\$0.2280	\$0
Total Firm Ind Sales	<u>1,346,077</u>	0	<u>1,346,077</u>	78,402	<u>1,424,479</u>		<u>\$ 1,806,788</u>
Interruptible Industrial Sales							
Bills	188			0	188	\$200.00	\$37,600
First 1,500	188,579	0	188,579	(6,760)	181,819	\$0.8034	\$146,073
Next 2,500	148,213	0	148,213	(2,888)	145,325	\$0.7382	\$107,279
Next 5,000	107,395	0	107,395	0	107,395	\$0.5319	\$57,123
Over 9,000	26,799	0	26,799	0	26,799	\$0.2280	\$6,110
Total Interruptible Ind Sales	<u>470,986</u>	0	<u>470,986</u>	(9,648)	<u>461,338</u>		<u>\$ 354,185</u>

MARGIN**NASHVILLE GAS COMPANY
PRO FORMA MARGIN CALCULATIONS**

Page 2 of 2

Rev - 2

(dekatherms)	12 Mon 8/31/99 Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	12 Mon 5/31/01 Growth Adj Thru Attrition Period (4)	Proforma (5)	10/01/1999 Billing Rates (6)	Proforma Margin (7)
Rate Schedule							
Firm Industrial Transportation							
Bills	625			0	625	\$75.00	\$46,875
Demand dekatherms	127,637				127,637	\$4.56780	\$583,020
First 1,500	704,748	0	704,748	420	705,168	\$0.8034	\$566,532
Next 2,500	492,312	0	492,312	400	492,712	\$0.7382	\$363,720
Next 5,000	152,475	0	152,475	1,500	153,975	\$0.5319	\$81,899
Over 9,000	175,988	0	175,988	0	175,988	\$0.2280	\$40,125
Total Firm Transp	<u>1,525,522</u>	0	<u>1,525,522</u>	2,320	<u>1,527,842</u>		<u>\$ 1,682,171</u>
Interruptible Industrial Transportation							
Bills	526			1	527	\$275.00	\$144,925
First 1,500	748,260	0	748,260	7,180	755,440	\$0.8034	\$606,920
Next 2,500	970,639	0	970,639	(22,740)	947,900	\$0.7382	\$699,740
Next 5,000	1,170,993	0	1,170,993	(1,631)	1,169,362	\$0.5319	\$621,984
Over 9,000	3,812,003	0	3,812,003	(262,071)	3,549,933	\$0.2280	\$809,385
Total Int Transp	<u>6,701,895</u>	0	<u>6,701,895</u>	(279,261)	<u>6,422,634</u>		<u>\$ 2,882,954</u>
Smyrna							
	12			0	12		
Demand	15,000	0	15,000	0	15,000	\$0.9894	\$14,841
Commodity	31,160	0	31,160	0	31,160	\$0.4949	\$15,421
							<u>\$ 30,262</u>
Total Bills	1,595,269			114,125	1,709,394		
Annual Total	<u>25,031,188</u>	<u>1,878,900</u>	<u>26,910,089</u>	<u>958,025</u>	<u>27,868,114</u>		<u>\$ 75,340,204</u>

REVENUE

NASHVILLE GAS COMPANY PRO FORMA REVENUE CALCULATIONS

Page 1 of 2

Rev - 3

(dekatherms)	12 Mon 8/31/99 Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	12 Mon 5/31/01 Growth Adj Thru Attrition Period (4)	Proforma Dekatherms (5)	10/01/1999 Billing Rates (6)	Proforma Revenues (7)
Rate Schedule							
Residential 01							
Bills	1,403,882			104,717	1,508,599	\$7.00	\$10,560,194
Winter	6,541,717	1,030,317	7,572,034	635,984	8,208,017	\$6.4881	\$53,254,438
Summer	2,109,852	164,446	2,274,298	174,328	2,448,626	\$6.1252	\$14,998,325
Discounted	13,223		13,223		13,223	\$5.7252	\$75,701
Total Residential	<u>8,664,791</u>	1,194,764	<u>9,859,554</u>	810,312	<u>10,669,866</u>		<u>\$ 78,888,658</u>
Commercial 02							
Bills	188,741			9,359	198,100	\$20.00	\$3,962,004
Winter	4,391,800	509,869	4,901,669	254,451	5,156,120	\$6.7053	\$34,573,335
Summer	1,895,685	174,268	2,069,952	101,449	2,171,402	\$6.3284	\$13,741,498
Discounted	3,272		3,272		3,272	\$5.9284	\$19,398
Total Commercial	<u>6,290,757</u>	684,137	<u>6,974,894</u>	355,900	<u>7,330,794</u>		<u>\$ 52,296,235</u>
Firm Industrial Sales							
Bills	1,295			48	1,343	\$0.00	\$0
Demand dekatherms	144,977			4,594	149,571	\$14.37247	\$2,149,709
First 1,500	1,059,741	0	1,059,741	65,320	1,125,061	\$3.7535	\$4,222,915
Next 2,500	279,900	0	279,900	13,082	292,982	\$3.6831	\$1,079,082
Next 5,000	6,436	0	6,436	0	6,436	\$3.4697	\$22,332
Over 9,000	0	0	0	0	0	\$3.1489	\$0
Total Firm Ind Sales	<u>1,346,077</u>	0	<u>1,346,077</u>	78,402	<u>1,424,479</u>		<u>\$ 7,474,038</u>
Interruptible Industrial Sales							
Bills	188			0	188	\$200.00	\$37,600
First 1,500	188,579	0	188,579	(6,760)	181,819	\$3.7535	\$682,457
Next 2,500	148,213	0	148,213	(2,888)	145,325	\$3.6831	\$535,247
Next 5,000	107,395	0	107,395	0	107,395	\$3.4697	\$372,629
Over 9,000	26,799	0	26,799	0	26,799	\$3.1489	\$84,388
Total Interruptible Ind Sales	<u>470,986</u>	0	<u>470,986</u>	(9,648)	<u>461,338</u>		<u>\$ 1,712,321</u>

REVENUE

Rev - 4

**NASHVILLE GAS COMPANY
PRO FORMA REVENUE CALCULATIONS**

Page 2 of 2

(dekatherms)	12 Mon 8/31/99 Test Period Actual (1)	Normalized Adjustment (2)	Normalized (3)	12 Mon 5/31/01 Growth Adj Thru Attrition Period (4)	Proforma (5)	10/01/1999 Billing Rates (6)	Proforma Revenues (7)
Rate Schedule							
Firm Industrial Transportation							
Bills	625			0	625	\$75.00	\$46,875
Demand dekatherms	127,637				127,637	\$14.37247	\$1,834,459
First 1,500	704,748	0	704,748	420	705,168	\$0.8326	\$587,123
Next 2,500	492,312	0	492,312	400	492,712	\$0.7622	\$375,545
Next 5,000	152,475	0	152,475	1,500	153,975	\$0.5488	\$84,501
Over 9,000	175,988	0	175,988	0	175,988	\$0.2280	\$40,125
Total Firm Transp	<u>1,525,522</u>	0	<u>1,525,522</u>	2,320	<u>1,527,842</u>		<u>\$ 2,968,628</u>
Interruptible Industrial Transportation							
Bills	526			0	526	\$275.00	\$144,650
First 1,500	748,260	0	748,260	7,180	755,440	\$0.8326	\$628,979
Next 2,500	970,639	0	970,639	(22,740)	947,900	\$0.7622	\$722,489
Next 5,000	1,170,993	0	1,170,993	(1,631)	1,169,362	\$0.5488	\$641,746
Over 9,000	3,812,003	0	3,812,003	(262,071)	3,549,933	\$0.2280	\$809,385
Total Int Transp	<u>6,701,895</u>	0	<u>6,701,895</u>	(279,261)	<u>6,422,634</u>		<u>\$ 2,947,249</u>
Smyrna							
	12			0	12		
Demand	15,000	0	15,000	0	15,000	\$10.8010	\$162,015
Commodity	31,160	0	31,160	0	31,160	\$3.4158	\$106,438
							<u>\$ 268,453</u>
Total Bills	1,595,269			114,124	1,709,393		
Annual Total	<u>25,031,188</u>	<u>1,878,900</u>	<u>26,910,089</u>	<u>958,025</u>	<u>27,868,114</u>		<u>\$ 146,555,583</u>

Volumes Purchased for Nashville Gas Co.
Year Ended 8/31/99

	September	October	November	December	January	February	March	April	May	June	July	August	Total	% of Total
TGPL														
Zone 0	-	-	692,370	715,449	715,449	646,212	715,449	-	-	-	79,524	87,751	3,652,204	19.47%
Zone 1	687,598	1,310,770	1,485,669	1,573,314	1,616,588	1,179,122	1,621,982	1,218,600	1,414,220	918,600	378,348	417,488	13,822,299	73.69%
Columbia Gulf	52,410	36,394	154,000	159,650	159,650	144,200	159,650	88,140	91,078	88,140	20,391	129,873	1,283,576	6.84%
Total Purchases	740,008	1,347,164	2,332,039	2,448,413	2,491,687	1,969,534	2,497,081	1,306,740	1,505,298	1,006,740	478,263	635,112	18,758,079	

Numbers were compiled from Gas Supply accounting sheets and verified against monthly incentive plan filings.

**NASHVILLE GAS COMPANY
RESIDENTIAL**

REV-6

BASE FACTOR 1.301791088
HEAT FACTOR 0.018769
CORRELATION 97.55%

NORMALIZED

NORMAL DD	MONTH	BASE CUST	BASE VOL	HEAT VOL	TOTAL VOL
2.1	1998 SEP	112,609	146,593	4,438	151,032
84.4	OCT	113,052	147,170	179,085	326,255
325.8	NOV	115,286	150,078	704,962	855,040
576.5	DEC	116,830	152,088	1,264,130	1,416,218
839.1	1999 JAN	118,131	153,782	1,860,439	2,014,221
819.7	FEB	118,647	154,454	1,825,365	1,979,818
515.4	MAR	119,062	154,994	1,151,743	1,306,737
339.7	APR	119,024	154,944	758,871	913,815
113.1	MAY	118,400	154,132	251,335	405,467
14.1	JUN	117,838	153,400	31,185	184,585
0.2	JUL	117,638	153,140	442	153,582
0	AUG	<u>117,365</u>	<u>152,785</u>	0	<u>152,785</u>
3,630.1	TOTAL	1,403,882	1,827,561	8,031,993	9,859,554

	Actual	Normal
WINTER VOLUME	6,541,717	7,572,034
SUMMER VOLUME	2,123,074	2,287,520
	8,664,791	9,859,554

NORMALIZED AND GROWN

NORMAL DD	MONTH	BASE CUST	BASE VOL	HEAT VOL	TOTAL VOL
14.1	Jun-2000	122,727	159,765	32,479	192,243
0.2	Jul-2000	122,493	159,461	460	159,921
0	Aug-2000	122,370	159,300	0	159,300
2.1	Sep-2000	122,892	159,980	4,844	164,824
84.4	Oct-2000	123,272	160,474	195,274	355,748
325.8	Nov-2000	125,250	163,049	765,890	928,939
576.5	Dec-2000	126,751	165,003	1,371,478	1,536,481
839.1	Jan-2001	127,917	166,521	2,014,561	2,181,083
819.7	Feb-2001	128,590	167,398	1,978,338	2,145,736
515.4	Mar-2001	128,997	167,928	1,247,851	1,415,779
339.7	Apr-2001	128,977	167,901	822,329	990,230
113.1	May-2001	<u>128,362</u>	<u>167,101</u>	<u>272,482</u>	<u>439,582</u>
3630.1	TOTAL	1,508,599	1,963,881	8,705,985	10,669,866

	Actual	Normal & Grown
WINTER VOLUME	6,541,717	8,208,017
SUMMER VOLUME	2,123,074	2,461,849
	8,664,791	10,669,866

**NASHVILLE GAS COMPANY
COMMERCIAL**

REV-7

BASE FACTOR 12.60655466
HEAT FACTOR 0.079321
CORRELATION 97.98%

NORMALIZED

NORMAL DD	MONTH	BASE CUST	BASE VOL	HEAT VOL	TOTAL VOL
2.1	1998 SEP	15,187	191,456	2,530	193,985
84.4	OCT	15,205	191,683	101,792	293,475
325.8	NOV	15,517	195,616	401,000	596,616
576.5	DEC	15,773	198,843	721,272	920,115
839.1	1999 JAN	16,081	202,726	1,070,317	1,273,043
819.7	FEB	16,111	203,104	1,047,522	1,250,626
515.4	MAR	16,102	202,991	658,279	861,269
339.7	APR	16,056	202,411	432,632	635,043
113.1	MAY	15,870	200,066	142,372	342,438
14.1	JUN	15,698	197,898	17,557	215,455
0.2	JUL	15,635	197,103	248	197,352
0	AUG	<u>15,506</u>	<u>195,477</u>	0	<u>195,477</u>
3,630.1	TOTAL	188,741	2,379,374	4,595,520	6,974,894

	Actual	Normal
WINTER VOLUME	4,391,800	4,901,669
SUMMER VOLUME	1,898,957	2,073,225
	6,290,757	6,974,894

NORMALIZED AND GROWN

NORMAL DD	MONTH	BASE CUST	BASE VOL	HEAT VOL	TOTAL VOL
14.1	Jun-2000	16,144	203,525	18,056	221,581
0.2	Jul-2000	16,242	204,757	258	205,015
0	Aug-2000	16,117	203,182	0	203,182
2.1	Sep-2000	16,108	203,066	2,683	205,749
84.4	Oct-2000	16,127	203,305	107,964	311,269
325.8	Nov-2000	16,442	207,278	424,907	632,185
576.5	Dec-2000	16,645	209,837	761,152	970,990
839.1	Jan-2001	16,877	212,759	1,123,288	1,336,047
819.7	Feb-2001	16,914	213,228	1,099,738	1,312,966
515.4	Mar-2001	16,900	213,046	690,887	903,933
339.7	Apr-2001	16,870	212,667	454,554	667,221
113.1	May-2001	<u>16,714</u>	<u>210,710</u>	<u>149,947</u>	<u>360,657</u>
3630.1	TOTAL	198,100	2,497,361	4,833,433	7,330,794

	Actual	Normal & Grown
WINTER VOLUME	4,391,800	5,156,120
SUMMER VOLUME	1,898,957	2,174,674
	6,290,757	7,330,794

**NASHVILLE GAS COMPANY
FIRM INDUSTRIAL**

REV-8

BASE FACTOR 442.0460408
HEAT FACTOR 2.151350
CORRELATION 99.32%

NORMAL DD	MONTH	BASE CUST	BASE VOL	HEAT VOL	TOTAL VOL
22.2	1998 SEP	116	51,277	5,540	56,817
183.6	OCT	116	51,277	45,819	97,096
458.7	NOV	116	51,277	114,472	165,749
731.8	DEC	116	51,277	182,625	233,903
856.0	1999 JAN	117	51,719	215,462	267,181
655.8	FEB	116	51,277	163,659	214,937
458.3	MAR	117	51,719	115,358	167,077
208.9	APR	117	51,719	52,582	104,301
53.6	MAY	94	41,552	10,839	52,392
1.4	JUN	90	39,784	271	40,055
0.0	JUL	90	39,784	0	39,784
<u>0.1</u>	AUG	<u>90</u>	<u>39,784</u>	<u>19</u>	<u>39,804</u>
3630.4	TOTAL	1,295	572,450	906,646	1,479,096

WINTER VOLUME
SUMMER VOLUME

Actual	Normal
963,185	1,048,847
382,892	430,249
1,346,077	1,479,096

**NASHVILLE GAS COMPANY
INTERRUPTIBLE INDUSTRIAL**

REV-9

BASE FACTOR 1796.389548
HEAT FACTOR 2.188784
CORRELATION 65.53%

NORMAL DD	MONTH	BASE CUST	BASE VOL	HEAT VOL	TOTAL VOL
22.2	1998 SEP	18	32,335	875	33,210
183.6	OCT	18	32,335	7,233	39,569
458.7	NOV	18	32,335	18,072	50,407
731.8	DEC	18	32,335	28,832	61,167
856.0	1999 JAN	18	32,335	33,725	66,060
655.8	FEB	18	32,335	25,837	58,172
458.3	MAR	18	32,335	18,056	50,391
208.9	APR	18	32,335	8,230	40,565
53.6	MAY	11	19,760	1,291	21,051
1.4	JUN	11	19,760	34	19,794
0.0	JUL	11	19,760	0	19,760
<u>0.1</u>	AUG	<u>11</u>	<u>19,760</u>	<u>2</u>	<u>19,763</u>
3630.4	TOTAL	188	337,721	142,187	479,908

WINTER VOLUME
SUMMER VOLUME

Actual	Normal
272,043	286,197
198,943	193,711
470,986	479,908

NASHVILLE GAS COMPANY
COMPUTATION OF CUSTOMER GROWTH FACTOR
ATTRITION YEAR VS. TEST YEAR

REV-10

Monthly Customers Billed

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Sep-98	112,609	15,187	127,796
Oct-98	113,052	15,205	128,257
Nov-98	115,286	15,517	130,803
Dec-98	116,830	15,773	132,603
Jan-99	118,131	16,081	134,212
Feb-99	118,647	16,111	134,758
Mar-99	119,062	16,102	135,164
Apr-99	119,024	16,056	135,080
May-99	118,400	15,870	134,270
Jun-99	117,838	15,698	133,536
Jul-99	117,638	15,635	133,273
Aug-99	117,365	15,506	132,871
Jun-00	122,727	16,144	138,871
Jul-00	122,493	16,242	138,735
Aug-00	122,370	16,117	138,487
Sep-00	122,892	16,108	139,000
Oct-00	123,272	16,127	139,399
Nov-00	125,250	16,442	141,692
Dec-00	126,751	16,645	143,396
Jan-01	127,917	16,877	144,794
Feb-01	128,590	16,914	145,504
Mar-01	128,997	16,900	145,897
Apr-01	128,977	16,870	145,847
May-01	128,362	16,714	145,076

Attrition Year Vs. Test Year	7.46%	4.96%	7.16%
------------------------------	-------	-------	-------

NASHVILLE GAS COMPANY
ACTUAL AND NORMAL DEGREE DAYS
FOR THE 12 MONTHS ENDED AUGUST 31, 1999

REV-11

	<u>15-15</u>		<u>1-31</u>	
	Test Year Actual <u>Degree Days</u>	30 Year Normal <u>Degree Days</u>	Test Year Actual <u>Degree Days</u>	30 Year Normal <u>Degree Days</u>
September	0.5	2.1	0.5	22.2
October	35.0	84.4	114.5	183.6
November	285.5	325.8	357.5	458.7
December	373.5	576.5	680.0	731.8
January	927.5	839.1	672.5	856.0
February	450.5	819.7	534.5	655.8
March	652.5	515.4	586.5	458.3
April	271.0	339.7	125.5	208.9
May	87.0	113.1	15.0	53.6
June	-	14.1	-	1.4
July	-	0.2	-	-
August	-	-	-	0.1
	<u>3,083.0</u>	<u>3,630.1</u>	<u>3,086.5</u>	<u>3,630.4</u>

NASHVILLE GAS COMPANY

Rate Design Calculation

Fixed Pipeline Charges

REV-12

	Proforma Billing Determinates	Current Fixed Pipeline Rates	Current Fixed Pipeline Recovery	Revised Fixed Pipeline Rates	Revised Fixed Pipeline Recovery
Residential:					
Customer Charges	1,508,599				
Winter Volumes	8,208,017	0.5788	4,750,800	0.4898	4,020,287
Summer Volumes	2,448,626	0.5788	1,417,265	0.4898	1,199,337
Air-Conditioning Volumes	13,223	0.5788	7,653	0.4898	6,477
Total Residential	10,669,866		\$6,175,718		\$5,226,100
Commercial:					
Customer Charges	198,100				
Winter Volumes	5,156,120	0.5248	2,705,932	0.4441	2,289,833
Summer Volumes	2,171,402	0.5248	1,139,552	0.4441	964,320
Air-Conditioning Volumes	3,272	0.5248	1,717	0.4441	1,453
Total Commercial	7,330,794		\$3,847,201		\$3,255,606
Industrial:					
Firm Sales:					
Billing Demand	149,571	9.8047	1,466,494	6.3730	953,216
1st Step Volumes	1,125,061	0.0292	32,852	0.0292	32,852
2nd Step Volumes	292,982	0.0240	7,032	0.0240	7,032
3rd Step Volumes	6,436	0.0169	109	0.0169	109
4th Step Volumes	0	0.0000	0	0.0000	0
Total Firm Sales	1,424,479		\$1,506,486		\$993,208
Interruptible Sales:					
Customer Charges	188		0		0
1st Step Volumes	181,819	0.0292	5,309	0.2992	54,400
2nd Step Volumes	145,325	0.0240	3,488	0.2940	42,726
3rd Step Volumes	107,395	0.0169	1,815	0.2869	30,812
4th Step Volumes	26,799	0.0000	0	0.2700	7,236
Total Interruptible Sales	461,338		\$10,612		\$135,173
Firm Transportation:					
Customer Charges	625		0		0
Billing Demand	127,637	9.8047	1,251,439	6.3730	813,431
1st Step Volumes	705,168	0.0292	20,591	0.0292	20,591
2nd Step Volumes	492,712	0.0240	11,825	0.0240	11,825
3rd Step Volumes	153,975	0.0169	2,602	0.0169	2,602
4th Step Volumes	175,988	0.0000	0	0.0000	0
Total Firm Transportation	1,527,843		\$1,286,457		\$848,449
Interruptible Transportation:					
Customer Charges	526		0		0
1st Step Volumes	755,440	0.0292	22,059	0.0292	22,059
2nd Step Volumes	947,900	0.0240	22,750	0.0240	22,750
3rd Step Volumes	1,169,362	0.0169	19,762	0.0169	19,762
4th Step Volumes	3,549,933	0.0000	0	0.0000	0
Total Interruptible Transportation	6,422,635		\$64,571		\$64,571
Sales For Resale:					
Demand	15,000	9.8116	147,174	6.3730	95,595
Commodity	31,160			0.0200	623
Total Sales For Resale	31,160		\$147,174		\$96,218
			\$13,038,219		\$10,619,325

NASHVILLE GAS COMPANY

REV-12

Rate Design Calculation

Fixed Pipeline Charges

	Proforma Billing Determinates	Current Fixed Pipeline Rates	Current Fixed Pipeline Recovery	Revised Fixed Pipeline Rates	Revised Fixed Pipeline Recovery
Residential:					
Customer Charges	1,508,599				
Winter Volumes	8,208,017	0.5788	4,750,800	0.4898	4,020,287
Summer Volumes	2,448,626	0.5788	1,417,265	0.4898	1,199,337
Air-Conditioning Volumes	13,223	0.5788	7,653	0.4898	6,477
Total Residential	10,669,866		\$6,175,718		\$5,226,100
Commercial:					
Customer Charges	198,100				
Winter Volumes	5,156,120	0.5248	2,705,932	0.4442	2,290,349
Summer Volumes	2,171,402	0.5248	1,139,552	0.4441	964,320
Air-Conditioning Volumes	3,272	0.5248	1,717	0.4442	1,453
Total Commercial	7,330,794		\$3,847,201		\$3,256,122
Industrial:					
Firm Sales:					
Billing Demand	149,571	9.8047	1,466,494	6.3730	953,216
1st Step Volumes	1,125,061	0.0292	32,852	0.0292	32,852
2nd Step Volumes	292,982	0.0240	7,032	0.0240	7,032
3rd Step Volumes	6,436	0.0169	109	0.0169	109
4th Step Volumes	0	0.0000	0	0.0000	0
Total Firm Sales	1,424,479		\$1,506,486		\$993,208
Interruptible Sales:					
Customer Charges	188		0		0
1st Step Volumes	181,819	0.0292	5,309	0.2992	54,400
2nd Step Volumes	145,325	0.0240	3,488	0.2940	42,726
3rd Step Volumes	107,395	0.0169	1,815	0.2869	30,812
4th Step Volumes	26,799	0.0000	0	0.2700	7,236
Total Interruptible Sales	461,338		\$10,612		\$135,173
Firm Transportation:					
Customer Charges	625		0		0
Billing Demand	127,637	9.8047	1,251,439	6.3730	813,431
1st Step Volumes	705,168	0.0292	20,591	0.0292	20,591
2nd Step Volumes	492,712	0.0240	11,825	0.0240	11,825
3rd Step Volumes	153,975	0.0169	2,602	0.0169	2,602
4th Step Volumes	175,988	0.0000	0	0.0000	0
Total Firm Transportation	1,527,843		\$1,286,457		\$848,449
Interruptible Transportation:					
Customer Charges	526		0		0
1st Step Volumes	755,440	0.0292	22,059	0.0292	22,059
2nd Step Volumes	947,900	0.0240	22,750	0.0240	22,750
3rd Step Volumes	1,169,362	0.0169	19,762	0.0169	19,762
4th Step Volumes	3,549,933	0.0000	0	0.0000	0
Total Interruptible Transportation	6,422,635		\$64,571		\$64,571
Sales For Resale:					
Demand	15,000	9.8116	147,174	6.3730	95,595
Commodity	31,160			0.0200	623
Total Sales For Resale	31,160		\$147,174		\$96,218
			\$13,038,219		\$10,619,841

**Nashville Gas Company
Demand Costs**

REV-13

<u>Pipeline</u>	<u>Projected 6/00 - 5/01</u>
Tennessee Gas Pipeline	\$8,449,227
Columbia Gas Transmission	\$949,415
Columbia Gulf	\$179,916
CNG Transmission	\$410,162
Hattiesburg Storage	<u>\$631,200</u>
Demand Cost Total	<u><u>\$10,619,920</u></u>

NASHVILLE GAS COMPANY
Other Revenue Adjustment
Attrition Period

OTH. REV.-1

Line
No.

1	Adjustment to remove secondary market revenues	(\$7,259,248)
2	Adjustment to forfeited discounts	<u>148,621</u>
3	Total Adjustment to Other Revenues	(\$7,110,627)

NASHVILLE GAS COMPANY
Forfeited Discounts

FOR. DISC-1

Line
No.

1	Attrition Period Gas Sales and Transportation Revenues	\$146,555,582
2	Forfeited Discounts Ratio	<u>0.006990</u>
3	Attrition Period Forfeited Discounts	1,024,424
4	Test Period Forfeited Discounts	<u>875,803</u>
5	Attrition Period Adjustment	\$148,621

NASHVILLE GAS COMPANY
Analysis of Forfeited Discounts

FOR. DISC-2

Line No.	12 Mos. Ended August	Forfeited Discounts	Gas Revenues	Ratio
---	-----	-----	-----	-----
		(3)	(4)	(5)
1	1997	1,070,245	144,198,211	0.007422
2	1998	946,720	144,647,140	0.006545
3	1999	875,803	125,025,391	0.007005
4		\$2,892,768	\$413,870,742	
5	Average			0.006990

PIEDMONT NATURAL GAS COMPANY, INC.
Projected Allowance for Funds Used During Construction
Twelve Months Ending May 31, 2001

AFUDC-1

Allowance for Funds Used During Construction - 12 months August 31, 1997	160,577
Construction Expenditures - 12 months August 31, 1997	26,828,157
AFUDC/Construction Expenditures - 12 months August 31, 1997	0.5985%
Allowance for Funds Used During Construction - 12 months August 31, 1998	97,128
Construction Expenditures - 12 months August 31, 1998	18,309,979
AFUDC/Construction Expenditures - 12 months August 31, 1998	0.5305%
Allowance for Funds Used During Construction - 12 months August 31, 1999	109,022
Construction Expenditures - 12 months August 31, 1999	21,094,281
AFUDC/Construction Expenditures - 12 months August 31, 1999	0.5168%
Three Year Average AFUDC/Construction Expenditures	0.5537%
Projected Expenditures for Attrition Period Ending May 31, 2001	23,030,550
Three Year Average AFUDC/Construction Expenditures	0.5537%
Projected AFUDC for Attrition Period Ending May 31, 2001	127,519

DIST-1

NASHVILLE GAS COMPANY
Distribution Expense
For The Twelve Months Ending May 31,2001

Line No.		Test Year Amount	Growth Factor	Test Year Adjusted For Attrition
----		-----	-----	-----
		(1)	(2)	(3)
1.	Distribution-LNG Operations	\$514,521	Calculated	\$914,115
2.	Distribution-LNG Maintenance	55,947	1.1056	61,855
3.	Distribution-Operations	656,598	1.1056	725,935
4.	Distribution-CIE	416,819	1.1056	460,835
5.	Distribution-Maintenance	2,017,855	1.1056	2,230,940
6.	Distribution-Customer Acct.	<u>1,207,685</u>	1.1056	1,335,217
8.	Total	\$4,869,425		\$5,728,897

NASHVILLE GAS COMPANY
 Distribution Expense-LNG Operations
 For The Twelve Months Ending May 31,2001

Line No.		Test Year Amount	Growth Factor	Test Year Adjusted For Attrition
----		-----	-----	-----
		(1)	(2)	(3)
1.	LNG Power	\$424,448	Calculated	\$814,530
2.	LNG Fuel	28,092	1.1056	31,059
3.	LNG Operations-Other	<u>61,981</u>	1.1056	<u>68,526</u>
4.	Total	\$514,521		\$914,115

NASHVILLE GAS COMPANY
Uncollectible Accounts Expense
For The Twelve Months Ending May 31,2001

Line
No.

1.	Gross Revenues	\$140,639,705 A/
2.	Ratio of Net Write-offs to Gross Revenues	<u>0.002822</u>
3.	Uncollectible Accounts Expense	\$396,885

A/ Excludes all Transportation Sales

NASHVILLE GAS COMPANY
Analysis of Net Write-Offs

Line No.	12 Mos. Ende August	Net Write-Offs	Gross Revenues *	Ratio
---	-----	-----	-----	-----
		(3)	(4)	(5)
1	1997	518,513	139,863,656	0.003707
2	1998	344,902	139,420,502	0.002474
3	1999	259,760	118,779,297	0.002187
4		\$1,123,175	\$398,063,455	
5	Average			0.002822

* Excludes Secondary Market Transactions & Transportation Revenues

NASHVILLE GAS COMPANY
Customer Relations Expense
For The Twelve Months Ending May 31,2001

Line No.		Test Year Amount	Growth Factor	Test Year Adjusted For Attrition
----		-----	-----	-----
		(1)	(2)	(3)
1.	Customer Service	\$73,342	1.1056	\$81,087
2.	Sales Expense	271,528	1.1056	300,201
3.	Advertising Expense	<u>902,668</u>	1.1056	997,990
4.	Total	\$1,247,538		\$1,379,278

NASHVILLE GAS COMPANY
Administrative and General Expense
For The Twelve Months Ending May 31,2001

Line No.	Test Year Amount	Growth Factor	Test Year Adjusted For Attrition
---	-----	-----	-----
	(1)	(2)	(3)
1. Injuries and Damages	\$506,467	1.0317	\$522,522
2. Property Insurance	48,212	1.0317	49,740
3. A&G Off. Sup. & Exp.	1,343,598	1.0317	1,386,190
4. Regulatory Commission Exp.	157,109	Calculated	122,616
5. Outside Services	2,666,290	1.0317	2,750,811
6. Miscellaneous General	1,524,519	Footnote A	979,376
7. Employee Benefits	3,675,648	Calculated	4,028,094
8. Rents	201,818	Calculated	201,818
9. Training	24,593	1.0317	25,373
10. Long Term Incentive Plan	1,448,373	Calculated	402,553
11. Transferred-Cr.	<u>(1,824,256)</u>	Calculated	<u>(1,931,410)</u>
12. Total	\$9,772,371		\$8,537,683

A/ (1,524,519-575,235 Y2K Costs)*1.0317

NASHVILLE GAS COMPANY
 Regulatory Commission Expense
 For The Twelve Months Ending May 31,2001

Line
 No.

1.	Deferred Balance @ 08/31/99		\$20,164
2.	Monthly Amortization	5,041	
3.		<u>4</u>	
4.	Amortization for 09/01/99-06/01/00		<u>20,164</u>
5.	Deferred Balance @ 06/01/00		0
6.	Estimated Cost of Current Case		<u>102,500</u>
7.	Total To Be Amortized		\$102,500
8.	Amortization Period		<u>/ 3 Years</u>
9.	Attrition Period Amort. of Rate Case Exp.		\$34,167
10.	Other Regulatory		<u>88,449</u>
11.	Attrition Period Regulatory Commission Expense		\$122,616

NASHVILLE GAS COMPANY
Employee Benefits
For The Twelve Months Ending May 31,2001

Line No. ----	Test Year Amount ----- (1)	Adjust. ----- (2)	Attrition Yr. Amt. ----- (3)
1. ESOP	10,501	1.0317	10,834
2. Employee Pension Plan	650,858	Footnote A	907,417
3. Employee Insurance	2,353,767	1.0317	2,428,381
4. Savings Plan	573,998	1.0317	592,194
5. Other	<u>86,525</u>	<u>1.0317</u>	89,268
6. Total	\$3,675,649	\$352,445	\$4,028,094
A/ Test Period Pension Expense	650,858		
Less FASB 87 Expense	<u>263,759</u>		
Pension Expense less FASB 87	387,099		
Growth Factor	<u>1.0317</u>		
Attrition Period Amount	399,370		
Plus Amortization of Deferred			
Pension Expense	<u>508,047</u>		
Total Pension Expense	907,417		

CRED-1

PIEDMONT NATURAL GAS COMPANY, INC.
Projected Administrative and General Transfer Credits
Twelve Months Ending May 31, 2001

Account	Description	Amount
92201	Payroll	392,644
92202	SIP	157,046
92203	Pension	305,058
92204	Insurance	799,387
92205	Other	<u>277,275</u>
	Total	<u><u>1,931,410</u></u>

PIEDMONT NATURAL GAS COMPANY, INC.
 Projected Administrative and General Transfer Credits
 Twelve Months Ending May 31, 2001

92201 - Payroll

(A) TN Direct Non-Utility Cost Study (Monthly)	(\$8,790 x 12)	
Times Growth Factor	1.0317	108,824
(B) Test Period 92000 Capitalized Monthly Based on Historical	(\$22,925 x 12)	
Times Growth Factor	1.0317	283,821

92201 TOTAL**392,644****92202 - SIP**

(A) Attrition SIP/PIP-Tennessee	592,194	
Times Capitalization Percentage	19.64%	116,307
(B) Test Period Non-Utility Credits	158,393	
Times Growth Factor	1.0317	
Times Net Plant	24.93%	40,739

92202 TOTAL**157,046****92203 - Pension**

(A) Attrition Pension-Tennessee	907,417	
Times Capitalization Percent	19.64%	178,217
(B) Test Period Non-Utility Credits	364,936	
Attrition Pension/Test Period Pension	(907,417/650,858)	
Times Net Plant	24.93%	126,841

92203 TOTAL**305,058****92204 - Insurance**

(A) TN Attrition 92400, Prop. Ins.	49,740	
TN Attrition Injuries & Damages	522,522	
Tennessee Attrition Group Insurance	2,428,381	
Total	3,000,643	
Times Capitalization Percent	19.64%	589,326
(B) Test Period Non-Utility Credits	816,712	
Times Growth Factor	1.0317	
Times Net Plant	24.93%	210,061

92204 TOTAL**799,387**

PIEDMONT NATURAL GAS COMPANY, INC.
 Projected Administrative and General Transfer Credits
 Twelve Months Ending May 31, 2001

CRED-3

92205 - Other

(B) TN Direct + Allocated		
A&G Office Supplies Expense	1,386,190	
Times Capitalization Percent	19.64%	272,248
(C) TN Direct Non-Utility		
Cost Allocation Study (Monthly)	(\$271 x 12)	
Times Growth Factor	1.0317	3,355
(D) C.O. Non-Utility Payroll Processing		
	(\$250 x 26)	
Times Growth Factor	1.0317	
Times Net Plant	24.93%	1,672
92205 TOTAL		277,275

With the implementation of the PeopleSoft General Ledger system effective November 1, 1998, the Company slightly revised the method of allocating Corporate Office-related overheads to construction and non-utility. These revisions were intended to clarify the methods of computation and to make the allocation process more efficient and up-to-date. Due to this change, the amounts above which are identified as "Test Period Non-utility Credits" are actually 10 months ended August 31, 1999 annualized.

MISC -1

NASHVILLE GAS COMPANY
Miscellaneous Expense
For The Twelve Months Ending May 31,2001

Line
No.

1.	Balance in deferred expense Acct. 18612 - Environmental Cleanup	\$5,017
2.	Amortization Peirod (years)	2
3.	Annual Amortization	\$2,509

NASHVILLE GAS COMPANY
Interest On Customer Deposits
For The Twelve Months Ending May 31,2001

Line
No.

1.	Average Balance in Customer Deposits Account	\$2,962,622
2.	Interest Accrual Rate	<u>6.00%</u>
3.	Interest on Customer Deposits	\$177,757

NASHVILLE GAS COMPANY
Depreciation and Amortization Expense
For The Twelve Months Ending May 31,2001

Line
No.

1.	Depreciation Expense	\$14,960,513
2.	Amortization Expense	<u>1,468</u>
3.	Attrition Period Amount	\$14,961,981

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001
TENNESSEE ONLY

DEPR-2

ACCOUNT NUMBER	TITLE OF ACCOUNT	BALANCE @6-30-00	JUNE 00 DEPRECIATION EXPENSE	BALANCE @7-31-00	JULY 00 DEPRECIATION EXPENSE	BALANCE @8-31-00	AUG 00 DEPRECIATION EXPENSE
	INTANGIBLE PLANT						
30100	Organization	30,035	0	30,035	0	30,035	0
30200	Franchises and Consents	109,186	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737	0
	Total Intangible Plant	420,958	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT						
36000	Land	620,064	0	620,064	0	620,064	0
36100	Structures & Improvements	503,355	738	503,355	738	503,355	738
36200	Gas Holders	2,903,543	3,460	2,903,543	3,460	2,903,543	3,460
36300	Purification Equipment	404,453	482	404,453	482	404,453	482
36310	Liquefaction Equipment	1,119,880	1,325	1,119,880	1,325	1,119,880	1,325
36320	Vaporizing Equipment	1,179,849	1,396	1,179,849	1,396	1,179,849	1,396
36330	Compressor Equipment	72,892	222	72,892	222	72,892	222
36340	Meas. & Reg. Sta. Equip.	28,481	57	28,481	57	28,481	57
36350	Other Equipment	1,088,220	1,297	1,088,220	1,297	1,088,220	1,297
	Total Local Storage Plant	7,920,737	8,977	7,920,737	8,977	7,920,737	8,977
	DISTRIBUTION PLANT						
37410	Land	343,471	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0	0
37500	Structures & Improvements	234,711	671	234,711	671	234,711	671
37600	Mains	174,159,420	351,221	175,366,092	353,655	176,456,564	355,854
37800	Meas. & Reg. Sta.-General	3,006,139	5,887	3,005,342	5,885	3,004,545	5,884
37900	Meas. & Reg. Sta.-City Gate	1,891,533	3,688	1,891,533	3,688	1,891,533	3,688
38000	Services	137,407,828	601,159	138,093,189	604,158	138,778,550	607,156
38100	Meters	14,539,863	34,169	14,633,461	34,389	14,727,059	34,609
38200	Meter Installations	7,050,031	16,979	7,046,638	16,971	7,043,245	16,962
38300	House Regulators	4,241,730	8,908	4,280,730	8,990	4,319,730	9,071
38400	House Regulators Installations	2,719,261	5,733	2,719,261	5,733	2,719,261	5,733
38500	Industrial Meas. & Reg. Sta.	292,201	514	292,201	514	292,201	514
38700	Other Equipment	157,241	0	157,241	0	157,241	0
	Total Distribution Plant	346,043,429	1,028,929	348,063,870	1,034,653	349,968,111	1,040,143
	GENERAL PLANT						
38910	Land	1,390,865	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	9,752,758	16,498	9,752,758	16,498	9,752,758	16,498
39100	Office Furniture & Equipment	1,791,132	7,150	1,790,281	7,146	1,789,430	7,143
39110	Mainframe Equipment	38,122	328	38,122	328	38,122	328
39120	PC-related Equipment	1,081,659	18,325	1,081,659	18,325	1,081,659	18,325
39130	CIS Project	0	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0	0
39200	Transportation Equipment	17,389	0	17,389	0	17,389	0
39300	Stores Equipment	14,918	42	14,918	42	14,918	42
39400	Tools & Shop Equipment	1,756,929	9,912	1,757,840	9,917	1,756,651	9,910
39500	Laboratory Equipment	0	0	0	0	0	0
39600	Power Operated Equipment	432,346	2,742	431,741	2,738	431,136	2,734
39700	Communication Equipment	1,473,299	8,361	1,473,299	8,361	1,473,299	8,361
39800	Miscellaneous Equipment	184,591	777	184,591	777	184,591	777
39900	Other Tangible Property	1,490,872	2,758	1,490,872	2,758	1,490,872	2,758
	Total General Plant	19,424,880	66,893	19,424,335	66,891	19,421,690	66,877
TOTAL UTILITY PLANT IN SERVICE		373,810,004	1,104,799	375,829,900	1,110,521	377,731,496	1,115,997

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001
TENNESSEE ONLY

DEPR-3

ACCOUNT NUMBER	TITLE OF ACCOUNT	BALANCE @9-30-00	SEPT 00 DEPRECIATION EXPENSE	BALANCE @10-31-00	OCT 00 DEPRECIATION EXPENSE	BALANCE @11-30-00	NOV 00 DEPRECIATION EXPENSE
	INTANGIBLE PLANT						
30100	Organization	30,035	0	30,035	0	30,035	0
30200	Franchises and Consents	109,186	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737	0
	Total Intangible Plant	420,958	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT						
36000	Land	620,064	0	620,064	0	620,064	0
36100	Structures & Improvements	503,355	738	503,355	738	503,355	738
36200	Gas Holders	2,903,543	3,460	2,903,543	3,460	2,903,543	3,460
36300	Purification Equipment	404,453	482	404,453	482	404,453	482
36310	Liquefaction Equipment	1,119,880	1,325	1,119,880	1,325	1,119,880	1,325
36320	Vaporizing Equipment	1,179,849	1,396	1,179,849	1,396	1,179,849	1,396
36330	Compressor Equipment	72,892	222	72,892	222	72,892	222
36340	Meas. & Reg. Sta. Equip.	28,481	57	28,481	57	28,481	57
36350	Other Equipment	1,088,220	1,297	1,088,220	1,297	1,088,220	1,297
	Total Local Storage Plant	7,920,737	8,977	7,920,737	8,977	7,920,737	8,977
	DISTRIBUTION PLANT						
37410	Land	343,471	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0	0
37500	Structures & Improvements	234,711	671	234,711	671	234,711	671
37600	Mains	177,522,036	358,003	178,665,608	360,309	179,704,680	362,404
37800	Meas. & Reg. Sta.-General	3,003,748	5,882	3,002,951	5,881	3,002,154	5,879
37900	Meas. & Reg. Sta.-City Gate	1,891,533	3,688	1,891,533	3,688	1,891,533	3,688
38000	Services	139,463,911	610,155	140,234,172	613,525	141,000,733	616,878
38100	Meters	14,820,657	34,829	14,927,655	35,080	15,044,553	35,355
38200	Meter Installations	7,039,852	16,954	7,036,459	16,946	7,033,066	16,938
38300	House Regulators	4,358,730	9,153	4,402,530	9,245	4,444,530	9,334
38400	House Regulators Installations	2,719,261	5,733	2,719,261	5,733	2,719,261	5,733
38500	Industrial Meas. & Reg. Sta.	292,201	514	292,201	514	292,201	514
38700	Other Equipment	157,241	0	157,241	0	157,241	0
	Total Distribution Plant	351,847,352	1,045,582	353,907,793	1,051,592	355,868,134	1,057,394
	GENERAL PLANT						
38910	Land	1,390,865	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	9,752,758	16,498	9,752,758	16,498	9,752,758	16,498
39100	Office Furniture & Equipment	1,788,579	7,139	1,787,728	7,136	1,786,877	7,133
39110	Mainframe Equipment	38,122	328	38,122	328	38,122	328
39120	PC-related Equipment	1,081,659	18,325	1,081,659	18,325	1,091,959	18,500
39130	CIS Project	0	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0	0
39200	Transportation Equipment	17,389	0	17,389	0	17,389	0
39300	Stores Equipment	14,918	42	14,918	42	14,918	42
39400	Tools & Shop Equipment	1,755,462	9,904	1,756,073	9,907	1,785,884	10,075
39500	Laboratory Equipment	0	0	0	0	0	0
39600	Power Operated Equipment	430,531	2,730	429,926	2,726	429,321	2,723
39700	Communication Equipment	1,473,299	8,361	1,473,299	8,361	1,473,299	8,361
39800	Miscellaneous Equipment	184,591	777	184,591	777	184,591	777
39900	Other Tangible Property	1,490,872	2,758	1,490,872	2,758	1,490,872	2,758
	Total General Plant	19,419,045	66,863	19,418,200	66,859	19,456,855	67,195
TOTAL UTILITY PLANT IN SERVICE		379,608,092	1,121,422	381,667,688	1,127,428	383,666,684	1,133,566

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001
TENNESSEE ONLY

DEPR-4

ACCOUNT NUMBER	TITLE OF ACCOUNT	BALANCE @12-31-00	DEC 00 DEPRECIATION EXPENSE	BALANCE @01-31-01	JAN 01 DEPRECIATION EXPENSE	BALANCE @02-28-01	FEB 01 DEPRECIATION EXPENSE
	INTANGIBLE PLANT						
30100	Organization	30,035	0	30,035	0	30,035	0
30200	Franchises and Consents	109,186	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737	0
	Total Intangible Plant	420,958	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT						
36000	Land	620,064	0	620,064	0	620,064	0
36100	Structures & Improvements	503,355	738	503,355	738	503,355	738
36200	Gas Holders	2,903,543	3,460	2,903,543	3,460	2,903,543	3,460
36300	Purification Equipment	404,453	482	404,453	482	404,453	482
36310	Liquefaction Equipment	1,119,880	1,325	1,119,880	1,325	1,119,880	1,325
36320	Vaporizing Equipment	1,179,849	1,396	1,179,849	1,396	1,179,849	1,396
36330	Compressor Equipment	72,892	222	72,892	222	72,892	222
36340	Meas. & Reg. Sta. Equip.	28,481	57	28,481	57	28,481	57
36350	Other Equipment	1,088,220	1,297	1,088,220	1,297	1,088,220	1,297
	Total Local Storage Plant	7,920,737	8,977	7,920,737	8,977	7,920,737	8,977
	DISTRIBUTION PLANT						
37410	Land	343,471	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0	0
37500	Structures & Improvements	234,711	671	234,711	671	234,711	671
37600	Mains	180,735,752	364,484	181,766,824	366,563	182,629,896	368,304
37800	Meas. & Reg. Sta.-General	3,001,357	5,878	3,000,560	5,876	2,999,763	5,875
37900	Meas. & Reg. Sta.-City Gate	1,891,533	3,688	1,891,533	3,688	1,891,533	3,688
38000	Services	141,767,294	620,232	142,533,855	623,586	143,122,916	626,163
38100	Meters	15,161,251	35,629	15,277,949	35,903	15,380,147	36,143
38200	Meter Installations	7,029,673	16,930	7,026,280	16,922	7,022,887	16,913
38300	House Regulators	4,486,530	9,422	4,528,530	9,510	4,565,930	9,588
38400	House Regulators Installations	2,719,261	5,733	2,719,261	5,733	2,719,261	5,733
38500	Industrial Meas. & Reg. Sta.	292,201	514	292,201	514	292,201	514
38700	Other Equipment	157,241	0	157,241	0	157,241	0
	Total Distribution Plant	357,820,275	1,063,180	359,772,416	1,068,966	361,359,957	1,073,592
	GENERAL PLANT						
38910	Land	1,390,865	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	9,752,758	16,498	9,752,758	16,498	9,752,758	16,498
39100	Office Furniture & Equipment	1,786,026	7,129	1,785,175	7,126	1,784,324	7,122
39110	Mainframe Equipment	38,122	328	38,122	328	38,122	328
39120	PC-related Equipment	1,091,959	18,500	1,117,359	18,930	1,206,659	20,443
39130	CIS Project	0	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0	0
39200	Transportation Equipment	17,389	0	17,389	0	17,389	0
39300	Stores Equipment	14,918	42	14,918	42	14,918	42
39400	Tools & Shop Equipment	1,815,695	10,244	1,845,806	10,413	1,875,917	10,583
39500	Laboratory Equipment	0	0	0	0	0	0
39600	Power Operated Equipment	428,716	2,719	428,111	2,715	427,506	2,711
39700	Communication Equipment	1,473,299	8,361	1,473,299	8,361	1,473,299	8,361
39800	Miscellaneous Equipment	184,591	777	184,591	777	184,591	777
39900	Other Tangible Property	1,490,872	2,758	1,490,872	2,758	1,490,872	2,758
	Total General Plant	19,485,210	67,356	19,539,265	67,949	19,657,220	69,624
TOTAL UTILITY PLANT IN SERVICE		385,647,180	1,139,513	387,653,376	1,145,892	389,358,872	1,152,194

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001
TENNESSEE ONLY

DEPR-5

ACCOUNT NUMBER	TITLE OF ACCOUNT	BALANCE @03-31-01	MAR 01 DEPRECIATION EXPENSE	BALANCE @04-30-01	APR 01 DEPRECIATION EXPENSE	BALANCE @05-31-01	MAY 01 DEPRECIATION EXPENSE
	INTANGIBLE PLANT						
30100	Organization	30,035	0	30,035	0	30,035	0
30200	Franchises and Consents	109,186	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737	0
	Total Intangible Plant	420,958	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT						
36000	Land	620,064	0	620,064	0	620,064	0
36100	Structures & Improvements	503,355	738	503,355	738	503,355	738
36200	Gas Holders	2,903,543	3,460	2,903,543	3,460	2,903,543	3,460
36300	Purification Equipment	404,453	482	404,453	482	404,453	482
36310	Liquefaction Equipment	1,119,880	1,325	1,119,880	1,325	1,119,880	1,325
36320	Vaporizing Equipment	1,179,849	1,396	1,179,849	1,396	1,179,849	1,396
36330	Compressor Equipment	72,892	222	72,892	222	72,892	222
36340	Meas. & Reg. Sta. Equip.	28,481	57	28,481	57	28,481	57
36350	Other Equipment	1,088,220	1,297	1,088,220	1,297	1,088,220	1,297
	Total Local Storage Plant	7,920,737	8,977	7,920,737	8,977	7,920,737	8,977
	DISTRIBUTION PLANT						
37410	Land	343,471	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0	0
37500	Structures & Improvements	234,711	671	234,711	671	234,711	671
37600	Mains	183,492,968	370,044	184,364,540	371,802	185,212,912	373,513
37800	Meas. & Reg. Sta.-General	2,998,966	5,873	2,998,169	5,871	2,997,372	5,870
37900	Meas. & Reg. Sta.-City Gate	1,891,533	3,688	1,891,533	3,688	1,891,533	3,688
38000	Services	143,711,977	628,740	144,301,038	631,317	144,861,249	633,768
38100	Meters	15,482,345	36,384	15,584,543	36,624	15,686,741	36,864
38200	Meter Installations	7,019,494	16,905	7,016,101	16,897	7,012,708	16,889
38300	House Regulators	4,603,330	9,667	4,640,730	9,746	4,678,130	9,824
38400	House Regulators Installations	2,719,261	5,733	2,719,261	5,733	2,719,261	5,733
38500	Industrial Meas. & Reg. Sta.	292,201	514	292,201	514	292,201	514
38700	Other Equipment	157,241	0	157,241	0	157,241	0
	Total Distribution Plant	362,947,498	1,078,219	364,543,539	1,082,863	366,087,530	1,087,334
	GENERAL PLANT						
38910	Land	1,390,865	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	9,752,758	16,498	9,752,758	16,498	9,752,758	16,498
39100	Office Furniture & Equipment	1,783,473	7,119	1,782,622	7,116	1,781,771	7,112
39110	Mainframe Equipment	38,122	328	38,122	328	38,122	328
39120	PC-related Equipment	1,206,659	20,443	1,206,659	20,443	1,206,659	20,443
39130	CIS Project	0	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0	0
39200	Transportation Equipment	17,389	0	17,389	0	17,389	0
39300	Stores Equipment	14,918	42	14,918	42	14,918	42
39400	Tools & Shop Equipment	1,906,028	10,753	1,936,139	10,923	1,966,250	11,093
39500	Laboratory Equipment	0	0	0	0	0	0
39600	Power Operated Equipment	426,901	2,707	426,296	2,703	425,691	2,700
39700	Communication Equipment	1,473,299	8,361	1,473,299	8,361	1,473,299	8,361
39800	Miscellaneous Equipment	184,591	777	184,591	777	184,591	777
39900	Other Tangible Property	1,490,872	2,758	1,490,872	2,758	1,490,872	2,758
	Total General Plant	19,685,875	69,787	19,714,530	69,949	19,743,185	70,112
TOTAL UTILITY PLANT IN SERVICE		390,975,068	1,156,983	392,599,764	1,161,790	394,172,410	1,166,423

TAX-1

NASHVILLE GAS COMPANY
Taxes Other Than Income Taxes
For The Twelve Months Ending May 31,2001

Line No. ----	Test Year Amount ----- (1)	Adjustment ----- (2)	Attrition Year Amount ----- (3)
1. Property Tax	\$3,612,497	\$733,833	\$4,346,330
2. State Gross Receipts Tax	577,354	(381,151)	196,203
3. Payroll Taxes	1,131,655	28,836	1,160,491
4. State Franchise Tax	852,757	47,243	900,000
5. Other General Taxes	(2,390)	0	(2,390)
6. TPSC Utility Fee	<u>274,022</u>	<u>(12,754)</u>	<u>261,268</u>
7. Total	\$6,445,895	\$416,008	\$6,861,903

NASHVILLE GAS COMPANY

TAX-2

Property Tax Expense

For The Twelve Months Ending May 31,2001

Line No. ----		<u>2000</u>	<u>2001</u>
1.	Estimated Tax Liability	\$4,229,030	\$4,510,551
2.	Percentage Applicable to Attrition Period	<u>58.3333%</u>	<u>41.6667%</u>
3.	Amount Applicable to Attrition Period	2,466,934	1,879,396
4.	Total Attrition Period Property Tax Exp.		\$4,346,330

NASHVILLE GAS COMPANY
Gross Receipts Tax
For The Twelve Months Ending May 31,2001

Line No.		Taxable Period	
		7/1/99-6/30/00	7/1/00-6/30/01
1.	Tenn.Gross Receipts Tax Base	\$134,198,902	\$125,603,223
2.	Rate	<u>1.50%</u>	<u>1.50%</u>
3.	Gross Receipts Tax Before Credits	\$2,012,984	\$1,884,048
4.	State Excise and Franchise Tax Credit	<u>(1,683,074)</u>	<u>(1,700,000)</u>
5.	Gross Receipts Tax After Credits	329,910	184,048
6.	Percent Applicable To Attrition Period	<u>8.3333%</u>	<u>91.6667%</u>
7.	Amount Applicable To Attrition Period	\$27,492	\$168,711
8.	Attrition Period Gross Receipts Tax		\$196,203

NASHVILLE GAS COMPANY
 TPSC Inspection Fee
 For The Twelve Months Ending May 31,2001

Line No. ----	Taxable Period	
	1/1/00-12/31/00 -----	1/1/01-12/31/01 -----
1 Revenues Net of Uncollectibles	125,603,223	136,489,100
2 Less: Exemption	<u>(5,000)</u>	<u>(5,000)</u>
3 Net Gross Receipts	125,598,223	136,484,100
4 .3% of First \$1,000,000	3,000	3,000
5 .20% of all over \$1,000,000	<u>249,196</u>	<u>270,968</u>
6 Total Inspection Fee	252,196	273,968
7 Percent Applicable to Attrition Period	<u>58.3333%</u>	<u>41.6667%</u>
8 Amount Applicable to Attrition Period	147,115	<u>114,153</u>
9 Attrition Period Inspection Fee		261,268

RATE OF RETURN: CALCULATION OF INCOME TAX EXPENSE

	After Attrition Adjustments	Adjustments For Proposed Revenues	Adjustments For Special Contract Margin	Proposed Revenues As Adjusted	After Adjustments For Proposed Revenues
Gross Margin	76,761,248	11,657,972	(889,933)	10,768,039	88,419,220
Subtotal of operating expenses	52,910,576	32,697	0	30,168	52,943,273
Interest on debt	8,852,848	0	0	0	8,852,848
Interest on customer deposits	177,757	0	0	0	177,757
Charitable Contributions	0	0	0	0	0
AFUDC	(127,519)	0	0	0	(127,519)
Taxable income	14,947,585	11,625,275	(889,933)	10,737,871	26,572,860
State income tax rate	6.00%	6.00%	6.00%	6.00%	6.00%
State income tax	896,855	697,517	(53,396)	644,272	1,594,372
Federal taxable income	14,050,730	10,927,758	(836,537)	10,093,599	24,978,488
Federal income tax rate	35.00%	35.00%	35.00%	35.00%	35.00%
Federal income tax before adjustments	4,917,755	3,824,715	(292,788)	3,532,760	8,742,471
Amort. of Invest. Tax Credits	146,415				146,415
Amort. of excess def. federal income tax	28,954				28,954
Federal income tax	4,742,386	3,824,715	(292,788)	3,532,760	8,567,102

NASHVILLE GAS COMPANY
Rate Base
For The Twelve Months Ending May 31,2001

Line No.	Test Year Average	Adjustments	Test Year As Adjusted	Effect Of Attrition	Test Year Adjusted For Attrition
	(1)	(2)	(3)	(4)	(5)
1. Plant In Service	\$351,621,644	\$0	\$351,621,644	47,261,905	\$398,883,549
2. Construction Work in Progress	10,523,427	0	10,523,427	(4,323,830)	6,199,597
3. Working Capital	<u>(1,773,847)</u>	0	<u>(1,773,847)</u>	<u>4,150,617</u>	<u>2,376,770</u>
4. Total Additions	\$360,371,224	\$0	\$360,371,224	\$47,088,692	\$407,459,916
Deductions:					
5. Accumulated Depr. & Amort.	\$124,498,215	\$0	\$124,498,215	17,655,806	\$142,154,021
6. Accumulated Deferred Inc. Taxes	15,127,047	0	15,127,047	5,219,275	20,346,322
7. Unamortized ITC-Pre 1971	26,189	0	26,189	(13,466)	12,723
8. Contrib. In Aid of Constr.	4,030,508	0	4,030,508	124,654	4,155,162
9. Customers Advances	<u>187,158</u>	0	<u>187,158</u>	<u>741</u>	<u>187,899</u>
10. Total Deductions	<u>\$143,869,117</u>	<u>\$0</u>	<u>\$143,869,117</u>	<u>\$22,987,010</u>	<u>\$166,856,127</u>
11. RATE BASE	\$216,502,107	\$0	\$216,502,107	\$24,101,683	\$240,603,790

PIEDMONT NATURAL GAS COMPANY, INC.
COMPUTATION OF AVERAGE PLANT IN SERVICE AND CONSTRUCTION WORK IN PROGRESS
THIRTEEN MONTHS ENDING MAY 31, 2001 (TENNESSEE ONLY)

PLT-1

	Plant		CWIP	
Balance @ August 31, 1999	354,177,744		6,199,597	
Allocated Joint Property @ August 31	15,470,746			
Adjusted Balance @ August 31, 1999	369,648,490		6,199,597	
Projected Additions September 1999	1,684,896			
Projected Balance @ September 30, 1999	371,333,386		6,199,597	
Projected Additions October 1999	1,895,896			
Projected Balance @ October 31, 1999	373,229,282		6,199,597	
Projected Additions November 1999	1,906,796			
Projected Balance @ November 30, 1999	375,136,078		6,199,597	
Projected Additions December 1999	1,912,096			
Projected Balance @ December 31, 1999	377,048,174		6,199,597	
Projected Additions January 2000	2,144,596			
Projected Balance @ January 31, 2000	379,192,770		6,199,597	
Projected Additions February 2000	2,045,096			
Projected Balance @ February 29, 2000	381,237,866		6,199,597	
Projected Additions March 2000	1,966,696			
Projected Balance @ March 31, 2000	383,204,562		6,199,597	
Projected Additions April 2000	1,972,396			
Projected Balance @ April 30, 2000	385,176,958		6,199,597	
Projected Additions May 2000	1,939,696			
Projected Balance @ May 31, 2000	387,116,654	387,116,654	6,199,597	6,199,597
Projected Additions June 2000	2,164,096			
Projected Balance @ June 30, 2000	389,280,750	389,280,750	6,199,597	6,199,597
Projected Additions July 2000	2,019,896			
Projected Balance @ July 31, 2000	391,300,646	391,300,646	6,199,597	6,199,597
Projected Additions August 2000	1,901,596			
Projected Balance @ August 31, 2000	393,202,242	393,202,242	6,199,597	6,199,597
Projected Additions September 2000	1,876,596			
Projected Balance @ September 30, 2000	395,078,838	395,078,838	6,199,597	6,199,597
Projected Additions October 2000	2,059,596			
Projected Balance @ October 31, 2000	397,138,434	397,138,434	6,199,597	6,199,597
Projected Additions November 2000	1,998,996			
Projected Balance @ November 30, 2000	399,137,430	399,137,430	6,199,597	6,199,597
Projected Additions December 2000	1,980,496			
Projected Balance @ December 31, 2000	401,117,926	401,117,926	6,199,597	6,199,597
Projected Additions January 2001	2,006,196			
Projected Balance @ January 31, 2001	403,124,122	403,124,122	6,199,597	6,199,597
Projected Additions February 2001	1,705,496			
Projected Balance @ February 28, 2001	404,829,618	404,829,618	6,199,597	6,199,597
Projected Additions March 2001	1,616,196			
Projected Balance @ March 31, 2001	406,445,814	406,445,814	6,199,597	6,199,597
Projected Additions April 2001	1,624,696			
Projected Balance @ April 30, 2001	408,070,510	408,070,510	6,199,597	6,199,597
Projected Additions May 2001	1,572,646			
Projected Balance @ May 31, 2001	409,643,156	409,643,156	6,199,597	6,199,597
Thirteen Month Average for Attrition Period		398,883,549		6,199,597

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PIEDMONT NATURAL GAS COMPANY, INC.
SUMMARY OF PLANT IN SERVICE
AS OF AUGUST 31, 1999 AND PROJECTED
AS OF MAY 31, 2001 (TENNESSEE)

PLT-2

ACCOUNT NUMBER	TITLE OF ACCOUNT	BALANCE @8-31-99	JOINT PROPERTY ALLOCATED TO TN	ADJUSTED PLANT IN SERVICE @8-31-99	Projected Net Additions 09/30/99
	INTANGIBLE PLANT				
30100	Organization	30,035		30,035	0
30200	Franchises and Consents	109,186		109,186	0
30300	Misc. Intangible Plant	281,737		281,737	0
	Total Intangible Plant	420,958		420,958	0
	LOCAL STORAGE PLANT				
36000	Land	620,064		620,064	0
36100	Structures & Improvements	503,355		503,355	0
36200	Gas Holders	2,903,543		2,903,543	0
36300	Purification Equipment	404,453		404,453	0
36310	Liquefaction Equipment	1,119,880		1,119,880	0
36320	Vaporizing Equipment	1,179,849		1,179,849	0
36330	Compressor Equipment	72,892		72,892	0
36340	Meas. & Reg. Sta. Equip.	28,481		28,481	0
36350	Other Equipment	1,088,220		1,088,220	0
	Total Local Storage Plant	7,920,737		7,920,737	0
	DISTRIBUTION PLANT				
37410	Land	343,471		343,471	0
37420	Land Rights				0
37500	Structures & Improvements	234,711		234,711	0
37600	Mains	163,626,100		163,626,100	830,572
37800	Meas. & Reg. Sta.-General	3,014,109		3,014,109	(797)
37900	Meas. & Reg. Sta.-City Gate	1,891,533		1,891,533	0
38000	Services	130,130,818		130,130,818	719,961
38100	Meters	13,531,383		13,531,383	102,398
38200	Meter Installations	7,083,961		7,083,961	(3,393)
38300	House Regulators	3,847,330		3,847,330	32,000
38400	House Regulators Installations	2,719,261		2,719,261	0
38500	Industrial Meas. & Reg. Sta.	292,201		292,201	0
38700	Other Equipment	157,241		157,241	0
	Total Distribution Plant	326,872,119		326,872,119	1,680,741
	GENERAL PLANT				
38910	Land	1,390,865	402,112	1,792,977	0
39000	Structures & Improvements	9,752,758	2,043,931	11,796,689	0
39100	Office Furniture & Equipment	1,793,642	769,054	2,562,696	(851)
39110	Mainframe Equipment	38,122	2,173,494	2,211,616	0
39120	PC-related Equipment	975,759	1,710,698	2,686,457	0
39130	CIS Project		4,319,295	4,319,295	0
39140	Client/Server Applications		2,488,584	2,488,584	0
39200	Transportation Equipment	9,589	570,802	580,391	0
39300	Stores Equipment	14,918		14,918	0
39400	Tools & Shop Equipment	1,401,119		1,401,119	5,611
39500	Laboratory Equipment				0
39600	Power Operated Equipment	438,396		438,396	(605)
39700	Communication Equipment	1,473,299	992,776	2,466,075	0
39800	Miscellaneous Equipment	184,591		184,591	0
39900	Other Tangible Property	1,490,872		1,490,872	0
	Total General Plant	18,963,930	15,470,746	34,434,676	4,155
	TOTAL UTILITY PLANT IN SERVICE	354,177,744	15,470,746	369,648,490	1,684,896

PIEDMONT NATURAL GAS COMPANY, INC.
SUMMARY OF PLANT IN SERVICE
AS OF AUGUST 31, 1999 AND PROJECTED
AS OF MAY 31, 2001 (TENNESSEE)

PLT-3

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 10/31/99	Projected Net Additions 11/30/99	Projected Net Additions 12/31/99	Projected Net Additions 01/31/00	Projected Net Additions 2/29/00	Projected Net Additions 3/31/00
	INTANGIBLE PLANT						
30100	Organization	0	0	0	0	0	0
30200	Franchises and Consents	0	0	0	0	0	0
30300	Misc. Intangible Plant	0	0	0	0	0	0
	Total Intangible Plant	0	0	0	0	0	0
	LOCAL STORAGE PLANT						
36000	Land	0	0	0	0	0	0
36100	Structures & Improvements	0	0	0	0	0	0
36200	Gas Holders	0	0	0	0	0	0
36300	Purification Equipment	0	0	0	0	0	0
36310	Liquefaction Equipment	0	0	0	0	0	0
36320	Vaporizing Equipment	0	0	0	0	0	0
36330	Compressor Equipment	0	0	0	0	0	0
36340	Meas. & Reg. Sta. Equip.	0	0	0	0	0	0
36350	Other Equipment	0	0	0	0	0	0
	Total Local Storage Plant	0	0	0	0	0	0
	DISTRIBUTION PLANT						
37410	Land	0	0	0	0	0	0
37420	Land Rights	0	0	0	0	0	0
37500	Structures & Improvements	0	0	0	0	0	0
37600	Mains	934,672	919,172	918,972	1,168,972	1,099,072	1,090,472
37800	Meas. & Reg. Sta.-General	(797)	(797)	(797)	(797)	(797)	(797)
37900	Meas. & Reg. Sta.-City Gate	0	0	0	0	0	0
38000	Services	811,061	772,361	772,361	772,361	687,461	685,361
38100	Meters	117,098	106,998	106,998	106,998	93,598	93,598
38200	Meter Installations	(3,393)	(3,393)	(3,393)	(3,393)	(3,393)	(3,393)
38300	House Regulators	36,000	43,800	43,800	43,800	39,000	39,000
38400	House Regulators Installations	0	0	0	0	0	0
38500	Industrial Meas. & Reg. Sta.	0	0	0	0	0	0
38700	Other Equipment	0	0	0	0	0	0
	Total Distribution Plant	1,894,641	1,838,141	1,837,941	2,087,941	1,914,941	1,904,241
	GENERAL PLANT						
38910	Land	0	0	0	0	0	0
39000	Structures & Improvements	0	0	0	0	0	0
39100	Office Furniture & Equipment	(851)	(851)	(851)	(851)	5,149	(851)
39110	Mainframe Equipment	0	0	0	0	0	0
39120	PC-related Equipment	0	9,500	0	23,800	72,600	0
39130	CIS Project	0	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0	0
39200	Transportation Equipment	0	0	3,000	0	0	0
39300	Stores Equipment	0	0	0	0	0	0
39400	Tools & Shop Equipment	2,711	60,611	72,611	34,311	53,011	63,911
39500	Laboratory Equipment	0	0	0	0	0	0
39600	Power Operated Equipment	(605)	(605)	(605)	(605)	(605)	(605)
39700	Communication Equipment	0	0	0	0	0	0
39800	Miscellaneous Equipment	0	0	0	0	0	0
39900	Other Tangible Property	0	0	0	0	0	0
	Total General Plant	1,255	68,655	74,155	56,655	130,155	62,455
TOTAL UTILITY PLANT IN SERVICE		1,895,896	1,906,796	1,912,096	2,144,596	2,045,096	1,966,696

PIEDMONT NATURAL GAS COMPANY, INC.
SUMMARY OF PLANT IN SERVICE
AS OF AUGUST 31, 1999 AND PROJECTED
AS OF MAY 31, 2001 (TENNESSEE)

PLT-4

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 04/30/00	Projected Net Additions 05/31/00	Projected Net Additions 06/30/00	Projected Net Additions 07/31/00	Projected Net Additions 08/31/00	Projected Net Additions 09/30/00
	INTANGIBLE PLANT						
30100	Organization	0	0	0	0	0	0
30200	Franchises and Consents	0	0	0	0	0	0
30300	Misc. Intangible Plant	0	0	0	0	0	0
	Total Intangible Plant	0	0	0	0	0	0
	LOCAL STORAGE PLANT						
36000	Land	0	0	0	0	0	0
36100	Structures & Improvements	0	0	0	0	0	0
36200	Gas Holders	0	0	0	0	0	0
36300	Purification Equipment	0	0	0	0	0	0
36310	Liquefaction Equipment	0	0	0	0	0	0
36320	Vaporizing Equipment	0	0	0	0	0	0
36330	Compressor Equipment	0	0	0	0	0	0
36340	Meas. & Reg. Sta. Equip.	0	0	0	0	0	0
36350	Other Equipment	0	0	0	0	0	0
	Total Local Storage Plant	0	0	0	0	0	0
	DISTRIBUTION PLANT						
37410	Land	0	0	0	0	0	0
37420	Land Rights	0	0	0	0	0	0
37500	Structures & Improvements	0	0	0	0	0	0
37600	Mains	1,115,472	1,115,472	1,340,472	1,206,672	1,090,472	1,065,472
37800	Meas. & Reg. Sta.-General	(797)	(797)	(797)	(797)	(797)	(797)
37900	Meas. & Reg. Sta.-City Gate	0	0	0	0	0	0
38000	Services	685,361	685,361	685,361	685,361	685,361	685,361
38100	Meters	93,598	93,598	93,598	93,598	93,598	93,598
38200	Meter Installations	(3,393)	(3,393)	(3,393)	(3,393)	(3,393)	(3,393)
38300	House Regulators	39,000	39,000	39,000	39,000	39,000	39,000
38400	House Regulators Installations	0	0	0	0	0	0
38500	Industrial Meas. & Reg. Sta.	0	0	0	0	0	0
38700	Other Equipment	0	0	0	0	0	0
	Total Distribution Plant	1,929,241	1,929,241	2,154,241	2,020,441	1,904,241	1,879,241
	GENERAL PLANT						
38910	Land	0	0	0	0	0	0
39000	Structures & Improvements	0	0	0	0	0	0
39100	Office Furniture & Equipment	(851)	(851)	(851)	(851)	(851)	(851)
39110	Mainframe Equipment	0	0	0	0	0	0
39120	PC-related Equipment	0	0	0	0	0	0
39130	CIS Project	0	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0	0
39200	Transportation Equipment	4,800	0	0	0	0	0
39300	Stores Equipment	0	0	0	0	0	0
39400	Tools & Shop Equipment	39,811	11,911	11,311	911	(1,189)	(1,189)
39500	Laboratory Equipment	0	0	0	0	0	0
39600	Power Operated Equipment	(605)	(605)	(605)	(605)	(605)	(605)
39700	Communication Equipment	0	0	0	0	0	0
39800	Miscellaneous Equipment	0	0	0	0	0	0
39900	Other Tangible Property	0	0	0	0	0	0
	Total General Plant	43,155	10,455	9,855	(545)	(2,645)	(2,645)
TOTAL UTILITY PLANT IN SERVICE		1,972,396	1,939,696	2,164,096	2,019,896	1,901,596	1,876,596

PIEDMONT NATURAL GAS COMPANY, INC.
SUMMARY OF PLANT IN SERVICE
AS OF AUGUST 31, 1999 AND PROJECTED
AS OF MAY 31, 2001 (TENNESSEE)

PLT-5

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 10/31/00	Projected Net Additions 11/30/00	Projected Net Additions 12/31/00	Projected Net Additions 01/31/01	Projected Net Additions 2/28/01	Projected Net Additions 3/31/01
	INTANGIBLE PLANT						
30100	Organization	0	0	0	0	0	0
30200	Franchises and Consents	0	0	0	0	0	0
30300	Misc. Intangible Plant	0	0	0	0	0	0
	Total Intangible Plant	0	0	0	0	0	0
	LOCAL STORAGE PLANT						
36000	Land	0	0	0	0	0	0
36100	Structures & Improvements	0	0	0	0	0	0
36200	Gas Holders	0	0	0	0	0	0
36300	Purification Equipment	0	0	0	0	0	0
36310	Liquefaction Equipment	0	0	0	0	0	0
36320	Vaporizing Equipment	0	0	0	0	0	0
36330	Compressor Equipment	0	0	0	0	0	0
36340	Meas. & Reg. Sta. Equip.	0	0	0	0	0	0
36350	Other Equipment	0	0	0	0	0	0
	Total Local Storage Plant	0	0	0	0	0	0
	DISTRIBUTION PLANT						
37410	Land	0	0	0	0	0	0
37420	Land Rights	0	0	0	0	0	0
37500	Structures & Improvements	0	0	0	0	0	0
37600	Mains	1,143,572	1,039,072	1,031,072	1,031,072	863,072	863,072
37800	Meas. & Reg. Sta.-General	(797)	(797)	(797)	(797)	(797)	(797)
37900	Meas. & Reg. Sta.-City Gate	0	0	0	0	0	0
38000	Services	770,261	766,561	766,561	766,561	589,061	589,061
38100	Meters	106,998	116,898	116,698	116,698	102,198	102,198
38200	Meter Installations	(3,393)	(3,393)	(3,393)	(3,393)	(3,393)	(3,393)
38300	House Regulators	43,800	42,000	42,000	42,000	37,400	37,400
38400	House Regulators Installations	0	0	0	0	0	0
38500	Industrial Meas. & Reg. Sta.	0	0	0	0	0	0
38700	Other Equipment	0	0	0	0	0	0
	Total Distribution Plant	2,060,441	1,960,341	1,952,141	1,952,141	1,587,541	1,587,541
	GENERAL PLANT						
38910	Land	0	0	0	0	0	0
39000	Structures & Improvements	0	0	0	0	0	0
39100	Office Furniture & Equipment	(851)	(851)	(851)	(851)	(851)	(851)
39110	Mainframe Equipment	0	0	0	0	0	0
39120	PC-related Equipment	0	10,300	0	25,400	89,300	0
39130	CIS Project	0	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0	0
39200	Transportation Equipment	0	0	0	0	0	0
39300	Stores Equipment	0	0	0	0	0	0
39400	Tools & Shop Equipment	611	29,811	29,811	30,111	30,111	30,111
39500	Laboratory Equipment	0	0	0	0	0	0
39600	Power Operated Equipment	(605)	(605)	(605)	(605)	(605)	(605)
39700	Communication Equipment	0	0	0	0	0	0
39800	Miscellaneous Equipment	0	0	0	0	0	0
39900	Other Tangible Property	0	0	0	0	0	0
	Total General Plant	(845)	38,655	28,355	54,055	117,955	28,655
TOTAL UTILITY PLANT IN SERVICE		2,059,596	1,998,996	1,980,496	2,006,196	1,705,496	1,616,196

PIEDMONT NATURAL GAS COMPANY, INC.
SUMMARY OF PLANT IN SERVICE
AS OF AUGUST 31, 1999 AND PROJECTED
AS OF MAY 31, 2001 (TENNESSEE)

PLT-6

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 4/30/01	Projected Net Additions 5/31/01	BALANCE @5-31-01
	INTANGIBLE PLANT			
30100	Organization	0	0	30,035
30200	Franchises and Consents	0	0	109,186
30300	Misc. Intangible Plant	0	0	281,737
	Total Intangible Plant	0	0	420,958
	LOCAL STORAGE PLANT			
36000	Land	0	0	620,064
36100	Structures & Improvements	0	0	503,355
36200	Gas Holders	0	0	2,903,543
36300	Purification Equipment	0	0	404,453
36310	Liquefaction Equipment	0	0	1,119,880
36320	Vaporizing Equipment	0	0	1,179,849
36330	Compressor Equipment	0	0	72,892
36340	Meas. & Reg. Sta. Equip.	0	0	28,481
36350	Other Equipment	0	0	1,088,220
	Total Local Storage Plant	0	0	7,920,737
	DISTRIBUTION PLANT			
37410	Land	0	0	343,471
37420	Land Rights	0	0	0
37500	Structures & Improvements	0	0	234,711
37600	Mains	871,572	848,372	185,212,912
37800	Meas. & Reg. Sta.-General	(797)	(797)	2,997,372
37900	Meas. & Reg. Sta.-City Gate	0	0	1,891,533
38000	Services	589,061	560,211	144,861,249
38100	Meters	102,198	102,198	15,686,741
38200	Meter Installations	(3,393)	(3,393)	7,012,708
38300	House Regulators	37,400	37,400	4,678,130
38400	House Regulators Installations	0	0	2,719,261
38500	Industrial Meas. & Reg. Sta.	0	0	292,201
38700	Other Equipment	0	0	157,241
	Total Distribution Plant	1,596,041	1,543,991	366,087,530
	GENERAL PLANT			
38910	Land	0	0	1,792,977
39000	Structures & Improvements	0	0	11,796,689
39100	Office Furniture & Equipment	(851)	(851)	2,550,825
39110	Mainframe Equipment	0	0	2,211,616
39120	PC-related Equipment	0	0	2,917,357
39130	CIS Project	0	0	4,319,295
39140	Client/Server Applications	0	0	2,488,584
39200	Transportation Equipment	0	0	588,191
39300	Stores Equipment	0	0	14,918
39400	Tools & Shop Equipment	30,111	30,111	1,966,250
39500	Laboratory Equipment	0	0	0
39600	Power Operated Equipment	(605)	(605)	425,691
39700	Communication Equipment	0	0	2,466,075
39800	Miscellaneous Equipment	0	0	184,591
39900	Other Tangible Property	0	0	1,490,872
	Total General Plant	28,655	28,655	35,213,931
TOTAL UTILITY PLANT IN SERVICE		1,624,696	1,572,646	409,643,156

PIEDMONT NATURAL GAS COMPANY, INC.
 PROJECTED NET ADDITIONS
 TENNESSEE ONLY

PLT-7

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Additions 09/30/99	Projected Retirements 09/30/99	Projected Additions 10/31/99	Projected Retirements 10/31/99	Projected Additions 11/30/99	Projected Retirements 11/30/99	Projected Additions 12/31/99	Projected Retirements 12/31/99
	INTANGIBLE PLANT								
30100	Organization								
30200	Franchises and Consents								
30300	Misc. Intangible Plant								
	Total Intangible Plant								
	LOCAL STORAGE PLANT	-	-	-	-	-	-	-	-
36000	Land								
36100	Structures & Improvements								
36200	Gas Holders								
36300	Purification Equipment								
36310	Liquefaction Equipment								
36320	Vaporizing Equipment								
36330	Compressor Equipment								
36340	Meas. & Reg. Sta. Equip.								
36350	Other Equipment								
	Total Local Storage Plant	-	-	-	-	-	-	-	-
	DISTRIBUTION PLANT								
37410	Land								
37420	Land Rights								
37500	Structures & Improvements								
37600	Mains	841,600	11,028	945,700	11,028	930,200	11,028	930,000	11,028
37800	Meas. & Reg. Sta.-General		797		797		797		797
37900	Meas. & Reg. Sta.-City Gate								
38000	Services	730,500	10,539	821,600	10,539	782,900	10,539	782,900	10,539
38100	Meters	116,000	13,602	130,700	13,602	120,600	13,602	120,600	13,602
38200	Meter Installations		3,393		3,393		3,393		3,393
38300	House Regulators	32,000		36,000		43,800		43,800	
38400	House Regulators Installations								
38500	Industrial Meas. & Reg. Sta.								
38700	Other Equipment								
	Total Distribution Plant	1,720,100	39,359	1,934,000	39,359	1,877,500	39,359	1,877,300	39,359
	GENERAL PLANT								
38910	Land								
39000	Structures & Improvements								
39100	Office Furniture & Equipment		851		851		851		851
39110	Mainframe Equipment								
39120	PC-related Equipment					9,500			
39130	CIS Project								
39140	Client/Server Applications								
39200	Transportation Equipment							3,000	
39300	Stores Equipment								
39400	Tools & Shop Equipment	6,800	1,189	3,900	1,189	61,800	1,189	73,800	1,189
39500	Laboratory Equipment								
39600	Power Operated Equipment		605		605		605		605
39700	Communication Equipment								
39800	Miscellaneous Equipment								
39900	Other Tangible Property								
	Total General Plant	6,800	2,645	3,900	2,645	71,300	2,645	76,800	2,645
TOTAL UTILITY PLANT IN SERVICE		1,726,900	42,004	1,937,900	42,004	1,948,800	42,004	1,954,100	42,004

PIEDMONT NATURAL GAS COMPANY, IN
PROJECTED NET ADDITIONS
TENNESSEE ONLY

PLT-8

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Additions 01/31/00	Projected Retirements 01/31/00	Projected Additions 02/29/00	Projected Retirements 02/29/00	Projected Additions 03/31/00	Projected Retirements 03/31/00	Projected Additions 04/30/00	Projected Retirements 04/30/00
	INTANGIBLE PLANT								
30100	Organization								
30200	Franchises and Consents								
30300	Misc. Intangible Plant								
	Total Intangible Plant								
	LOCAL STORAGE PLANT	-	-	-	-	-	-	-	-
36000	Land								
36100	Structures & Improvements								
36200	Gas Holders								
36300	Purification Equipment								
36310	Liquefaction Equipment								
36320	Vaporizing Equipment								
36330	Compressor Equipment								
36340	Meas. & Reg. Sta. Equip.								
36350	Other Equipment								
	Total Local Storage Plant	-	-	-	-	-	-	-	-
	DISTRIBUTION PLANT								
37410	Land								
37420	Land Rights								
37500	Structures & Improvements								
37600	Mains	1,180,000	11,028	1,110,100	11,028	1,101,500	11,028	1,126,500	11,028
37800	Meas. & Reg. Sta.-General		797		797		797		797
37900	Meas. & Reg. Sta.-City Gate								
38000	Services	782,900	10,539	698,000	10,539	695,900	10,539	695,900	10,539
38100	Meters	120,600	13,602	107,200	13,602	107,200	13,602	107,200	13,602
38200	Meter Installations		3,393		3,393		3,393		3,393
38300	House Regulators	43,800		39,000		39,000		39,000	
38400	House Regulators Installations								
38500	Industrial Meas. & Reg. Sta.								
38700	Other Equipment								
	Total Distribution Plant	2,127,300	39,359	1,954,300	39,359	1,943,600	39,359	1,968,600	39,359
	GENERAL PLANT								
38910	Land								
39000	Structures & Improvements								
39100	Office Furniture & Equipment		851	6,000	851		851		851
39110	Mainframe Equipment								
39120	PC-related Equipment	23,800		72,600					
39130	CIS Project								
39140	Client/Server Applications								
39200	Transportation Equipment							4,800	
39300	Stores Equipment								
39400	Tools & Shop Equipment	35,500	1,189	54,200	1,189	65,100	1,189	41,000	1,189
39500	Laboratory Equipment								
39600	Power Operated Equipment		605		605		605		605
39700	Communication Equipment								
39800	Miscellaneous Equipment								
39900	Other Tangible Property								
	Total General Plant	59,300	2,645	132,800	2,645	65,100	2,645	45,800	2,645
TOTAL UTILITY PLANT IN SERVICE		2,186,600	42,004	2,087,100	42,004	2,008,700	42,004	2,014,400	42,004

PIEDMONT NATURAL GAS COMPANY, IN
PROJECTED NET ADDITIONS
TENNESSEE ONLY

PLT-9

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Additions 05/31/00	Projected Retirements 05/31/00	Projected Additions 06/30/00	Projected Retirements 06/30/00	Projected Additions 07/31/00	Projected Retirements 07/31/00	Projected Additions 08/31/00	Projected Retirements 08/31/00
	INTANGIBLE PLANT								
30100	Organization								
30200	Franchises and Consents								
30300	Misc. Intangible Plant								
	Total Intangible Plant								
	LOCAL STORAGE PLANT	-	-	-	-	-	-	-	-
36000	Land								
36100	Structures & Improvements								
36200	Gas Holders								
36300	Purification Equipment								
36310	Liquefaction Equipment								
36320	Vaporizing Equipment								
36330	Compressor Equipment								
36340	Meas. & Reg. Sta. Equip.								
36350	Other Equipment								
	Total Local Storage Plant	-	-	-	-	-	-	-	-
	DISTRIBUTION PLANT								
37410	Land								
37420	Land Rights								
37500	Structures & Improvements								
37600	Mains	1,126,500	11,028	1,351,500	11,028	1,217,700	11,028	1,101,500	11,028
37800	Meas. & Reg. Sta.-General		797		797		797		797
37900	Meas. & Reg. Sta.-City Gate								
38000	Services	695,900	10,539	695,900	10,539	695,900	10,539	695,900	10,539
38100	Meters	107,200	13,602	107,200	13,602	107,200	13,602	107,200	13,602
38200	Meter Installations		3,393		3,393		3,393		3,393
38300	House Regulators	39,000	-	39,000		39,000		39,000	
38400	House Regulators Installations								
38500	Industrial Meas. & Reg. Sta.								
38700	Other Equipment								
	Total Distribution Plant	1,968,600	39,359	2,193,600	39,359	2,059,800	39,359	1,943,600	39,359
	GENERAL PLANT								
38910	Land								
39000	Structures & Improvements								
39100	Office Furniture & Equipment		851		851		851		851
39110	Mainframe Equipment								
39120	PC-related Equipment								
39130	CIS Project								
39140	Client/Server Applications								
39200	Transportation Equipment								
39300	Stores Equipment								
39400	Tools & Shop Equipment	13,100	1,189	12,500	1,189	2,100	1,189		1,189
39500	Laboratory Equipment								
39600	Power Operated Equipment		605		605		605		605
39700	Communication Equipment								
39800	Miscellaneous Equipment								
39900	Other Tangible Property								
	Total General Plant	13,100	2,645	12,500	2,645	2,100	2,645	-	2,645
TOTAL UTILITY PLANT IN SERVICE		1,981,700	42,004	2,206,100	42,004	2,061,900	42,004	1,943,600	42,004

PIEDMONT NATURAL GAS COMPANY, IN
PROJECTED NET ADDITIONS
TENNESSEE ONLY

PLT-10

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Additions 09/30/00	Projected Retirements 09/30/00	Projected Additions 10/31/00	Projected Retirements 10/31/00	Projected Additions 11/30/00	Projected Retirements 11/30/00	Projected Additions 12/31/00	Projected Retirements 12/31/00
	INTANGIBLE PLANT								
30100	Organization								
30200	Franchises and Consents								
30300	Misc. Intangible Plant								
	Total Intangible Plant								
	LOCAL STORAGE PLANT	-	-	-	-	-	-	-	-
36000	Land								
36100	Structures & Improvements								
36200	Gas Holders								
36300	Purification Equipment								
36310	Liquefaction Equipment								
36320	Vaporizing Equipment								
36330	Compressor Equipment								
36340	Meas. & Reg. Sta. Equip.								
36350	Other Equipment								
	Total Local Storage Plant	-	-	-	-	-	-	-	-
	DISTRIBUTION PLANT								
37410	Land								
37420	Land Rights								
37500	Structures & Improvements								
37600	Mains	1,076,500	11,028	1,154,600	11,028	1,050,100	11,028	1,042,100	11,028
37800	Meas. & Reg. Sta.-General		797		797		797		797
37900	Meas. & Reg. Sta.-City Gate								
38000	Services	695,900	10,539	780,800	10,539	777,100	10,539	777,100	10,539
38100	Meters	107,200	13,602	120,600	13,602	130,500	13,602	130,300	13,602
38200	Meter Installations		3,393		3,393		3,393		3,393
38300	House Regulators	39,000		43,800		42,000		42,000	
38400	House Regulators Installations								
38500	Industrial Meas. & Reg. Sta.								
38700	Other Equipment								
	Total Distribution Plant	1,918,600	39,359	2,099,800	39,359	1,999,700	39,359	1,991,500	39,359
	GENERAL PLANT								
38910	Land								
39000	Structures & Improvements								
39100	Office Furniture & Equipment		851		851		851		851
39110	Mainframe Equipment								
39120	PC-related Equipment					10,300			
39130	CIS Project								
39140	Client/Server Applications								
39200	Transportation Equipment								
39300	Stores Equipment								
39400	Tools & Shop Equipment		1,189	1,800	1,189	31,000	1,189	31,000	1,189
39500	Laboratory Equipment								
39600	Power Operated Equipment		605		605		605		605
39700	Communication Equipment								
39800	Miscellaneous Equipment								
39900	Other Tangible Property								
	Total General Plant	-	2,645	1,800	2,645	41,300	2,645	31,000	2,645
	TOTAL UTILITY PLANT IN SERVICE	1,918,600	42,004	2,101,600	42,004	2,041,000	42,004	2,022,500	42,004

PIEDMONT NATURAL GAS COMPANY, IN
PROJECTED NET ADDITIONS
TENNESSEE ONLY

PLT-11

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Additions 01/31/01	Projected Retirements 01/31/01	Projected Additions 02/28/01	Projected Retirements 02/28/01	Projected Additions 03/31/01	Projected Retirements 03/31/01	Projected Additions 04/30/01	Projected Retirements 04/30/01
	INTANGIBLE PLANT								
30100	Organization								
30200	Franchises and Consents								
30300	Misc. Intangible Plant								
	Total Intangible Plant								
	LOCAL STORAGE PLANT	-	-	-	-	-	-	-	-
36000	Land								
36100	Structures & Improvements								
36200	Gas Holders								
36300	Purification Equipment								
36310	Liquefaction Equipment								
36320	Vaporizing Equipment								
36330	Compressor Equipment								
36340	Meas. & Reg. Sta. Equip.								
36350	Other Equipment								
	Total Local Storage Plant	-	-	-	-	-	-	-	-
	DISTRIBUTION PLANT								
37410	Land								
37420	Land Rights								
37500	Structures & Improvements								
37600	Mains	1,042,100	11,028	874,100	11,028	874,100	11,028	882,600	11,028
37800	Meas. & Reg. Sta.-General		797		797		797		797
37900	Meas. & Reg. Sta.-City Gate								
38000	Services	777,100	10,539	599,600	10,539	599,600	10,539	599,600	10,539
38100	Meters	130,300	13,602	115,800	13,602	115,800	13,602	115,800	13,602
38200	Meter Installations		3,393		3,393		3,393		3,393
38300	House Regulators	42,000		37,400		37,400		37,400	
38400	House Regulators Installations								
38500	Industrial Meas. & Reg. Sta.								
38700	Other Equipment								
	Total Distribution Plant	1,991,500	39,359	1,626,900	39,359	1,626,900	39,359	1,635,400	39,359
	GENERAL PLANT								
38910	Land								
39000	Structures & Improvements								
39100	Office Furniture & Equipment		851		851		851		851
39110	Mainframe Equipment								
39120	PC-related Equipment	25,400		89,300					
39130	CIS Project								
39140	Client/Server Applications								
39200	Transportation Equipment								
39300	Stores Equipment								
39400	Tools & Shop Equipment	31,300	1,189	31,300	1,189	31,300	1,189	31,300	1,189
39500	Laboratory Equipment								
39600	Power Operated Equipment		605		605		605		605
39700	Communication Equipment								
39800	Miscellaneous Equipment								
39900	Other Tangible Property								
	Total General Plant	56,700	2,645	120,600	2,645	31,300	2,645	31,300	2,645
	TOTAL UTILITY PLANT IN SERVICE	2,048,200	42,004	1,747,500	42,004	1,658,200	42,004	1,666,700	42,004

PIEDMONT NATURAL GAS COMPANY, IN
PROJECTED NET ADDITIONS
TENNESSEE ONLY

PLT-12

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Additions 05/31/01	Projected Retirements 05/31/01
	INTANGIBLE PLANT		
30100	Organization		
30200	Franchises and Consents		
30300	Misc. Intangible Plant		
	Total Intangible Plant		
	LOCAL STORAGE PLANT	-	-
36000	Land		
36100	Structures & Improvements		
36200	Gas Holders		
36300	Purification Equipment		
36310	Liquefaction Equipment		
36320	Vaporizing Equipment		
36330	Compressor Equipment		
36340	Meas. & Reg. Sta. Equip.		
36350	Other Equipment		
	Total Local Storage Plant	-	-
	DISTRIBUTION PLANT		
37410	Land		
37420	Land Rights		
37500	Structures & Improvements		
37600	Mains	859400	11,028
37800	Meas. & Reg. Sta.-General		797
37900	Meas. & Reg. Sta.-City Gate		
38000	Services	570750	10,539
38100	Meters	115800	13,602
38200	Meter Installations		3,393
38300	House Regulators	37400	
38400	House Regulators Installations		
38500	Industrial Meas. & Reg. Sta.		
38700	Other Equipment		
	Total Distribution Plant	1,583,350	39,359
	GENERAL PLANT		
38910	Land		
39000	Structures & Improvements		
39100	Office Furniture & Equipment		851
39110	Mainframe Equipment		
39120	PC-related Equipment		
39130	CIS Project		
39140	Client/Server Applications		
39200	Transportation Equipment		
39300	Stores Equipment		
39400	Tools & Shop Equipment	31300	1,189
39500	Laboratory Equipment		
39600	Power Operated Equipment		605
39700	Communication Equipment		
39800	Miscellaneous Equipment		
39900	Other Tangible Property		
	Total General Plant	31,300	2,645
	TOTAL UTILITY PLANT IN SERVICE	1,614,650	42,004

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-13

ACCOUNT NUMBER	TITLE OF ACCOUNT	TENNESSEE BALANCE @8/31/99	Projected Net Additions 09/30/99	TENNESSEE BALANCE @9-30-99	Projected Net Additions 10/31/99	TENNESSEE BALANCE @10-31-99
	INTANGIBLE PLANT					
30100	Organization	30,035	0	30,035	0	30,035
30200	Franchises and Consents	109,186	0	109,186	0	109,186
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737
	Total Intangible Plant	420,958	0	420,958	0	420,958
	LOCAL STORAGE PLANT					
36000	Land	620,064	0	620,064	0	620,064
36100	Structures & Improvements	503,355	0	503,355	0	503,355
36200	Gas Holders	2,903,543	0	2,903,543	0	2,903,543
36300	Purification Equipment	404,453	0	404,453	0	404,453
36310	Liquefaction Equipment	1,119,880	0	1,119,880	0	1,119,880
36320	Vaporizing Equipment	1,179,849	0	1,179,849	0	1,179,849
36330	Compressor Equipment	72,892	0	72,892	0	72,892
36340	Meas. & Reg. Sta. Equip.	28,481	0	28,481	0	28,481
36350	Other Equipment	1,088,220	0	1,088,220	0	1,088,220
	Total Local Storage Plant	7,920,737	0	7,920,737	0	7,920,737
	DISTRIBUTION PLANT					
37410	Land	343,471	0	343,471	0	343,471
37420	Land Rights		0	0	0	0
37500	Structures & Improvements	234,711	0	234,711	0	234,711
37600	Mains	163,626,100	830,572	164,456,672	934,672	165,391,344
37800	Meas. & Reg. Sta.-General	3,014,109	(797)	3,013,312	(797)	3,012,515
37900	Meas. & Reg. Sta.-City Gate	1,891,533	0	1,891,533	0	1,891,533
38000	Services	130,130,818	719,961	130,850,779	811,061	131,661,840
38100	Meters	13,531,383	102,398	13,633,781	117,098	13,750,879
38200	Meter Installations	7,083,961	(3,393)	7,080,568	(3,393)	7,077,175
38300	House Regulators	3,847,330	32,000	3,879,330	36,000	3,915,330
38400	House Regulators Installations	2,719,261		2,719,261	0	2,719,261
38500	Industrial Meas. & Reg. Sta.	292,201	0	292,201	0	292,201
38700	Other Equipment	157,241	0	157,241	0	157,241
	Total Distribution Plant	326,872,119	1,680,741	328,552,860	1,894,641	330,447,501
	GENERAL PLANT					
38910	Land	1,390,865	0	1,390,865	0	1,390,865
39000	Structures & Improvements	9,752,758	0	9,752,758	0	9,752,758
39100	Office Furniture & Equipment	1,793,642	(851)	1,792,791	(851)	1,791,940
39110	Mainframe Equipment	38,122	0	38,122	0	38,122
39120	PC-related Equipment	975,759	0	975,759	0	975,759
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	9,589	0	9,589	0	9,589
39300	Stores Equipment	14,918	0	14,918	0	14,918
39400	Tools & Shop Equipment	1,401,119	5,611	1,406,730	2,711	1,409,441
39500	Laboratory Equipment		0	0	0	0
39600	Power Operated Equipment	438,396	(605)	437,791	(605)	437,186
39700	Communication Equipment	1,473,299	0	1,473,299	0	1,473,299
39800	Miscellaneous Equipment	184,591	0	184,591	0	184,591
39900	Other Tangible Property	1,490,872	0	1,490,872	0	1,490,872
	Total General Plant	18,963,930	4,155	18,968,085	1,255	18,969,340
	TOTAL UTILITY PLANT IN SERVICE	354,177,744	1,684,896	355,862,640	1,895,896	357,758,536

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-14

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 11/30/99	TENNESSEE BALANCE @11-30-99	Projected Net Additions 12/31/99	TENNESSEE BALANCE @12-31-99	Projected Net Additions 01/31/00
	INTANGIBLE PLANT					
30100	Organization	0	30,035	0	30,035	0
30200	Franchises and Consents	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	0	281,737	0	281,737	0
	Total Intangible Plant	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT					
36000	Land	0	620,064	0	620,064	0
36100	Structures & Improvements	0	503,355	0	503,355	0
36200	Gas Holders	0	2,903,543	0	2,903,543	0
36300	Purification Equipment	0	404,453	0	404,453	0
36310	Liquefaction Equipment	0	1,119,880	0	1,119,880	0
36320	Vaporizing Equipment	0	1,179,849	0	1,179,849	0
36330	Compressor Equipment	0	72,892	0	72,892	0
36340	Meas. & Reg. Sta. Equip.	0	28,481	0	28,481	0
36350	Other Equipment	0	1,088,220	0	1,088,220	0
	Total Local Storage Plant	0	7,920,737	0	7,920,737	0
	DISTRIBUTION PLANT					
37410	Land	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0
37500	Structures & Improvements	0	234,711	0	234,711	0
37600	Mains	919,172	166,310,516	918,972	167,229,488	1,168,972
37800	Meas. & Reg. Sta.-General	(797)	3,011,718	(797)	3,010,921	(797)
37900	Meas. & Reg. Sta.-City Gate	0	1,891,533	0	1,891,533	0
38000	Services	772,361	132,434,201	772,361	133,206,562	772,361
38100	Meters	106,998	13,857,877	106,998	13,964,875	106,998
38200	Meter Installations	(3,393)	7,073,782	(3,393)	7,070,389	(3,393)
38300	House Regulators	43,800	3,959,130	43,800	4,002,930	43,800
38400	House Regulators Installations	0	2,719,261	0	2,719,261	0
38500	Industrial Meas. & Reg. Sta.	0	292,201	0	292,201	0
38700	Other Equipment	0	157,241	0	157,241	0
	Total Distribution Plant	1,838,141	332,285,642	1,837,941	334,123,583	2,087,941
	GENERAL PLANT					
38910	Land	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	0	9,752,758	0	9,752,758	0
39100	Office Furniture & Equipment	(851)	1,791,089	(851)	1,790,238	(851)
39110	Mainframe Equipment	0	38,122	0	38,122	0
39120	PC-related Equipment	9,500	985,259	0	985,259	23,800
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	0	9,589	3,000	12,589	0
39300	Stores Equipment	0	14,918	0	14,918	0
39400	Tools & Shop Equipment	60,611	1,470,052	72,611	1,542,663	34,311
39500	Laboratory Equipment	0	0	0	0	0
39600	Power Operated Equipment	(605)	436,581	(605)	435,976	(605)
39700	Communication Equipment	0	1,473,299	0	1,473,299	0
39800	Miscellaneous Equipment	0	184,591	0	184,591	0
39900	Other Tangible Property	0	1,490,872	0	1,490,872	0
	Total General Plant	68,655	19,037,995	74,155	19,112,150	56,655
TOTAL UTILITY PLANT IN SERVICE		1,906,796	359,665,332	1,912,096	361,577,428	2,144,596

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-15

ACCOUNT NUMBER	TITLE OF ACCOUNT	TENNESSEE BALANCE @1-31-00	Projected Net Additions 2/29/00	TENNESSEE BALANCE @2-29-00	Projected Net Additions 3/31/00	TENNESSEE BALANCE @3-31-00
	INTANGIBLE PLANT					
30100	Organization	30,035	0	30,035	0	30,035
30200	Franchises and Consents	109,186	0	109,186	0	109,186
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737
	Total Intangible Plant	420,958	0	420,958	0	420,958
	LOCAL STORAGE PLANT					
36000	Land	620,064	0	620,064	0	620,064
36100	Structures & Improvements	503,355	0	503,355	0	503,355
36200	Gas Holders	2,903,543	0	2,903,543	0	2,903,543
36300	Purification Equipment	404,453	0	404,453	0	404,453
36310	Liquefaction Equipment	1,119,880	0	1,119,880	0	1,119,880
36320	Vaporizing Equipment	1,179,849	0	1,179,849	0	1,179,849
36330	Compressor Equipment	72,892	0	72,892	0	72,892
36340	Meas. & Reg. Sta. Equip.	28,481	0	28,481	0	28,481
36350	Other Equipment	1,088,220	0	1,088,220	0	1,088,220
	Total Local Storage Plant	7,920,737	0	7,920,737	0	7,920,737
	DISTRIBUTION PLANT					
37410	Land	343,471	0	343,471	0	343,471
37420	Land Rights	0	0	0	0	0
37500	Structures & Improvements	234,711	0	234,711	0	234,711
37600	Mains	168,398,460	1,099,072	169,497,532	1,090,472	170,588,004
37800	Meas. & Reg. Sta.-General	3,010,124	(797)	3,009,327	(797)	3,008,530
37900	Meas. & Reg. Sta.-City Gate	1,891,533	0	1,891,533	0	1,891,533
38000	Services	133,978,923	687,461	134,666,384	685,361	135,351,745
38100	Meters	14,071,873	93,598	14,165,471	93,598	14,259,069
38200	Meter Installations	7,066,996	(3,393)	7,063,603	(3,393)	7,060,210
38300	House Regulators	4,046,730	39,000	4,085,730	39,000	4,124,730
38400	House Regulators Installations	2,719,261	0	2,719,261	0	2,719,261
38500	Industrial Meas. & Reg. Sta.	292,201	0	292,201	0	292,201
38700	Other Equipment	157,241	0	157,241	0	157,241
	Total Distribution Plant	336,211,524	1,914,941	338,126,465	1,904,241	340,030,706
	GENERAL PLANT					
38910	Land	1,390,865	0	1,390,865	0	1,390,865
39000	Structures & Improvements	9,752,758	0	9,752,758	0	9,752,758
39100	Office Furniture & Equipment	1,789,387	5,149	1,794,536	(851)	1,793,685
39110	Mainframe Equipment	38,122	0	38,122	0	38,122
39120	PC-related Equipment	1,009,059	72,600	1,081,659	0	1,081,659
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	12,589	0	12,589	0	12,589
39300	Stores Equipment	14,918	0	14,918	0	14,918
39400	Tools & Shop Equipment	1,576,974	53,011	1,629,985	63,911	1,693,896
39500	Laboratory Equipment	0	0	0	0	0
39600	Power Operated Equipment	435,371	(605)	434,766	(605)	434,161
39700	Communication Equipment	1,473,299	0	1,473,299	0	1,473,299
39800	Miscellaneous Equipment	184,591	0	184,591	0	184,591
39900	Other Tangible Property	1,490,872	0	1,490,872	0	1,490,872
	Total General Plant	19,168,805	130,155	19,298,960	62,455	19,361,415
TOTAL UTILITY PLANT IN SERVICE		363,722,024	2,045,096	365,767,120	1,966,696	367,733,816

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-16

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 04/30/00	TENNESSEE BALANCE @4-30-00	Projected Net Additions 05/31/00	TENNESSEE BALANCE @5-31-00	Projected Net Additions 06/30/00
	INTANGIBLE PLANT					
30100	Organization	0	30,035	0	30,035	0
30200	Franchises and Consents	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	0	281,737	0	281,737	0
	Total Intangible Plant	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT					
36000	Land	0	620,064	0	620,064	0
36100	Structures & Improvements	0	503,355	0	503,355	0
36200	Gas Holders	0	2,903,543	0	2,903,543	0
36300	Purification Equipment	0	404,453	0	404,453	0
36310	Liquefaction Equipment	0	1,119,880	0	1,119,880	0
36320	Vaporizing Equipment	0	1,179,849	0	1,179,849	0
36330	Compressor Equipment	0	72,892	0	72,892	0
36340	Meas. & Reg. Sta. Equip.	0	28,481	0	28,481	0
36350	Other Equipment	0	1,088,220	0	1,088,220	0
	Total Local Storage Plant	0	7,920,737	0	7,920,737	0
	DISTRIBUTION PLANT					
37410	Land	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0
37500	Structures & Improvements	0	234,711	0	234,711	0
37600	Mains	1,115,472	171,703,476	1,115,472	172,818,948	1,340,472
37800	Meas. & Reg. Sta.-General	(797)	3,007,733	(797)	3,006,936	(797)
37900	Meas. & Reg. Sta.-City Gate	0	1,891,533	0	1,891,533	0
38000	Services	685,361	136,037,106	685,361	136,722,467	685,361
38100	Meters	93,598	14,352,667	93,598	14,446,265	93,598
38200	Meter Installations	(3,393)	7,056,817	(3,393)	7,053,424	(3,393)
38300	House Regulators	39,000	4,163,730	39,000	4,202,730	39,000
38400	House Regulators Installations	0	2,719,261	0	2,719,261	0
38500	Industrial Meas. & Reg. Sta.	0	292,201	0	292,201	0
38700	Other Equipment	0	157,241	0	157,241	0
	Total Distribution Plant	1,929,241	341,959,947	1,929,241	343,889,188	2,154,241
	GENERAL PLANT					
38910	Land	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	0	9,752,758	0	9,752,758	0
39100	Office Furniture & Equipment	(851)	1,792,834	(851)	1,791,983	(851)
39110	Mainframe Equipment	0	38,122	0	38,122	0
39120	PC-related Equipment	0	1,081,659	0	1,081,659	0
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	4,800	17,389	0	17,389	0
39300	Stores Equipment	0	14,918	0	14,918	0
39400	Tools & Shop Equipment	39,811	1,733,707	11,911	1,745,618	11,311
39500	Laboratory Equipment	0	0	0	0	0
39600	Power Operated Equipment	(605)	433,556	(605)	432,951	(605)
39700	Communication Equipment	0	1,473,299	0	1,473,299	0
39800	Miscellaneous Equipment	0	184,591	0	184,591	0
39900	Other Tangible Property	0	1,490,872	0	1,490,872	0
	Total General Plant	43,155	19,404,570	10,455	19,415,025	9,855
	TOTAL UTILITY PLANT IN SERVICE	1,972,396	369,706,212	1,939,696	371,645,908	2,164,096

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-17

ACCOUNT NUMBER	TITLE OF ACCOUNT	TENNESSEE BALANCE @6-30-00	Projected Net Additions 07/31/00	TENNESSEE BALANCE @7-31-00	Projected Net Additions 08/31/00	TENNESSEE BALANCE @8-31-00
	INTANGIBLE PLANT					
30100	Organization	30,035	0	30,035	0	30,035
30200	Franchises and Consents	109,186	0	109,186	0	109,186
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737
	Total Intangible Plant	420,958	0	420,958	0	420,958
	LOCAL STORAGE PLANT					
36000	Land	620,064	0	620,064	0	620,064
36100	Structures & Improvements	503,355	0	503,355	0	503,355
36200	Gas Holders	2,903,543	0	2,903,543	0	2,903,543
36300	Purification Equipment	404,453	0	404,453	0	404,453
36310	Liquefaction Equipment	1,119,880	0	1,119,880	0	1,119,880
36320	Vaporizing Equipment	1,179,849	0	1,179,849	0	1,179,849
36330	Compressor Equipment	72,892	0	72,892	0	72,892
36340	Meas. & Reg. Sta. Equip.	28,481	0	28,481	0	28,481
36350	Other Equipment	1,088,220	0	1,088,220	0	1,088,220
	Total Local Storage Plant	7,920,737	0	7,920,737	0	7,920,737
	DISTRIBUTION PLANT					
37410	Land	343,471	0	343,471	0	343,471
37420	Land Rights	0	0	0	0	0
37500	Structures & Improvements	234,711	0	234,711	0	234,711
37600	Mains	174,159,420	1,206,672	175,366,092	1,090,472	176,456,564
37800	Meas. & Reg. Sta.-General	3,006,139	(797)	3,005,342	(797)	3,004,545
37900	Meas. & Reg. Sta.-City Gate	1,891,533	0	1,891,533	0	1,891,533
38000	Services	137,407,828	685,361	138,093,189	685,361	138,778,550
38100	Meters	14,539,863	93,598	14,633,461	93,598	14,727,059
38200	Meter Installations	7,050,031	(3,393)	7,046,638	(3,393)	7,043,245
38300	House Regulators	4,241,730	39,000	4,280,730	39,000	4,319,730
38400	House Regulators Installations	2,719,261	0	2,719,261	0	2,719,261
38500	Industrial Meas. & Reg. Sta.	292,201	0	292,201	0	292,201
38700	Other Equipment	157,241	0	157,241	0	157,241
	Total Distribution Plant	346,043,429	2,020,441	348,063,870	1,904,241	349,968,111
	GENERAL PLANT					
38910	Land	1,390,865	0	1,390,865	0	1,390,865
39000	Structures & Improvements	9,752,758	0	9,752,758	0	9,752,758
39100	Office Furniture & Equipment	1,791,132	(851)	1,790,281	(851)	1,789,430
39110	Mainframe Equipment	38,122	0	38,122	0	38,122
39120	PC-related Equipment	1,081,659	0	1,081,659	0	1,081,659
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	17,389	0	17,389	0	17,389
39300	Stores Equipment	14,918	0	14,918	0	14,918
39400	Tools & Shop Equipment	1,756,929	911	1,757,840	(1,189)	1,756,651
39500	Laboratory Equipment	0	0	0	0	0
39600	Power Operated Equipment	432,346	(605)	431,741	(605)	431,136
39700	Communication Equipment	1,473,299	0	1,473,299	0	1,473,299
39800	Miscellaneous Equipment	184,591	0	184,591	0	184,591
39900	Other Tangible Property	1,490,872	0	1,490,872	0	1,490,872
	Total General Plant	19,424,880	(545)	19,424,335	(2,645)	19,421,690
TOTAL UTILITY PLANT IN SERVICE		373,810,004	2,019,896	375,829,900	1,901,596	377,731,496

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-18

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 09/30/00	TENNESSEE BALANCE @9-30-00	Projected Net Additions 10/31/00	TENNESSEE BALANCE @10-31-00	Projected Net Additions 11/30/00
	INTANGIBLE PLANT					
30100	Organization	0	30,035	0	30,035	0
30200	Franchises and Consents	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	0	281,737	0	281,737	0
	Total Intangible Plant	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT					
36000	Land	0	620,064	0	620,064	0
36100	Structures & Improvements	0	503,355	0	503,355	0
36200	Gas Holders	0	2,903,543	0	2,903,543	0
36300	Purification Equipment	0	404,453	0	404,453	0
36310	Liquefaction Equipment	0	1,119,880	0	1,119,880	0
36320	Vaporizing Equipment	0	1,179,849	0	1,179,849	0
36330	Compressor Equipment	0	72,892	0	72,892	0
36340	Meas. & Reg. Sta. Equip.	0	28,481	0	28,481	0
36350	Other Equipment	0	1,088,220	0	1,088,220	0
	Total Local Storage Plant	0	7,920,737	0	7,920,737	0
	DISTRIBUTION PLANT					
37410	Land	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0
37500	Structures & Improvements	0	234,711	0	234,711	0
37600	Mains	1,065,472	177,522,036	1,143,572	178,665,608	1,039,072
37800	Meas. & Reg. Sta.-General	(797)	3,003,748	(797)	3,002,951	(797)
37900	Meas. & Reg. Sta.-City Gate	0	1,891,533	0	1,891,533	0
38000	Services	685,361	139,463,911	770,261	140,234,172	766,561
38100	Meters	93,598	14,820,657	106,998	14,927,655	116,898
38200	Meter Installations	(3,393)	7,039,852	(3,393)	7,036,459	(3,393)
38300	House Regulators	39,000	4,358,730	43,800	4,402,530	42,000
38400	House Regulators Installations	0	2,719,261	0	2,719,261	0
38500	Industrial Meas. & Reg. Sta.	0	292,201	0	292,201	0
38700	Other Equipment	0	157,241	0	157,241	0
	Total Distribution Plant	1,879,241	351,847,352	2,060,441	353,907,793	1,960,341
	GENERAL PLANT					
38910	Land	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	0	9,752,758	0	9,752,758	0
39100	Office Furniture & Equipment	(851)	1,788,579	(851)	1,787,728	(851)
39110	Mainframe Equipment	0	38,122	0	38,122	0
39120	PC-related Equipment	0	1,081,659	0	1,081,659	10,300
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	0	17,389	0	17,389	0
39300	Stores Equipment	0	14,918	0	14,918	0
39400	Tools & Shop Equipment	(1,189)	1,755,462	611	1,756,073	29,811
39500	Laboratory Equipment	0	0	0	0	0
39600	Power Operated Equipment	(605)	430,531	(605)	429,926	(605)
39700	Communication Equipment	0	1,473,299	0	1,473,299	0
39800	Miscellaneous Equipment	0	184,591	0	184,591	0
39900	Other Tangible Property	0	1,490,872	0	1,490,872	0
	Total General Plant	(2,645)	19,419,045	(845)	19,418,200	38,655
TOTAL UTILITY PLANT IN SERVICE		1,876,596	379,608,092	2,059,596	381,667,688	1,998,996

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-19

ACCOUNT NUMBER	TITLE OF ACCOUNT	TENNESSEE BALANCE @11-30-00	Projected Net Additions 12/31/00	TENNESSEE BALANCE @12-31-00	Projected Net Additions 01/31/01	TENNESSEE BALANCE @1-31-01
	INTANGIBLE PLANT					
30100	Organization	30,035	0	30,035	0	30,035
30200	Franchises and Consents	109,186	0	109,186	0	109,186
30300	Misc. Intangible Plant	281,737	0	281,737	0	281,737
	Total Intangible Plant	420,958	0	420,958	0	420,958
	LOCAL STORAGE PLANT					
36000	Land	620,064	0	620,064	0	620,064
36100	Structures & Improvements	503,355	0	503,355	0	503,355
36200	Gas Holders	2,903,543	0	2,903,543	0	2,903,543
36300	Purification Equipment	404,453	0	404,453	0	404,453
36310	Liquefaction Equipment	1,119,880	0	1,119,880	0	1,119,880
36320	Vaporizing Equipment	1,179,849	0	1,179,849	0	1,179,849
36330	Compressor Equipment	72,892	0	72,892	0	72,892
36340	Meas. & Reg. Sta. Equip.	28,481	0	28,481	0	28,481
36350	Other Equipment	1,088,220	0	1,088,220	0	1,088,220
	Total Local Storage Plant	7,920,737	0	7,920,737	0	7,920,737
	DISTRIBUTION PLANT					
37410	Land	343,471	0	343,471	0	343,471
37420	Land Rights	0	0	0	0	0
37500	Structures & Improvements	234,711	0	234,711	0	234,711
37600	Mains	179,704,680	1,031,072	180,735,752	1,031,072	181,766,824
37800	Meas. & Reg. Sta.-General	3,002,154	(797)	3,001,357	(797)	3,000,560
37900	Meas. & Reg. Sta.-City Gate	1,891,533	0	1,891,533	0	1,891,533
38000	Services	141,000,733	766,561	141,767,294	766,561	142,533,855
38100	Meters	15,044,553	116,698	15,161,251	116,698	15,277,949
38200	Meter Installations	7,033,066	(3,393)	7,029,673	(3,393)	7,026,280
38300	House Regulators	4,444,530	42,000	4,486,530	42,000	4,528,530
38400	House Regulators Installations	2,719,261	0	2,719,261	0	2,719,261
38500	Industrial Meas. & Reg. Sta.	292,201	0	292,201	0	292,201
38700	Other Equipment	157,241	0	157,241	0	157,241
	Total Distribution Plant	355,868,134	1,952,141	357,820,275	1,952,141	359,772,416
	GENERAL PLANT					
38910	Land	1,390,865	0	1,390,865	0	1,390,865
39000	Structures & Improvements	9,752,758	0	9,752,758	0	9,752,758
39100	Office Furniture & Equipment	1,786,877	(851)	1,786,026	(851)	1,785,175
39110	Mainframe Equipment	38,122	0	38,122	0	38,122
39120	PC-related Equipment	1,091,959	0	1,091,959	25,400	1,117,359
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	17,389	0	17,389	0	17,389
39300	Stores Equipment	14,918	0	14,918	0	14,918
39400	Tools & Shop Equipment	1,785,884	29,811	1,815,695	30,111	1,845,806
39500	Laboratory Equipment	0	0	0	0	0
39600	Power Operated Equipment	429,321	(605)	428,716	(605)	428,111
39700	Communication Equipment	1,473,299	0	1,473,299	0	1,473,299
39800	Miscellaneous Equipment	184,591	0	184,591	0	184,591
39900	Other Tangible Property	1,490,872	0	1,490,872	0	1,490,872
	Total General Plant	19,456,855	28,355	19,485,210	54,055	19,539,265
	TOTAL UTILITY PLANT IN SERVICE	383,666,684	1,980,496	385,647,180	2,006,196	387,653,376

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-20

ACCOUNT NUMBER	TITLE OF ACCOUNT	Projected Net Additions 02/28/01	TENNESSEE BALANCE @2-28-01	Projected Net Additions 03/31/01	TENNESSEE BALANCE @3-31-01	Projected Net Additions 04/30/01
	INTANGIBLE PLANT					
30100	Organization	0	30,035	0	30,035	0
30200	Franchises and Consents	0	109,186	0	109,186	0
30300	Misc. Intangible Plant	0	281,737	0	281,737	0
	Total Intangible Plant	0	420,958	0	420,958	0
	LOCAL STORAGE PLANT					
36000	Land	0	620,064	0	620,064	0
36100	Structures & Improvements	0	503,355	0	503,355	0
36200	Gas Holders	0	2,903,543	0	2,903,543	0
36300	Purification Equipment	0	404,453	0	404,453	0
36310	Liquefaction Equipment	0	1,119,880	0	1,119,880	0
36320	Vaporizing Equipment	0	1,179,849	0	1,179,849	0
36330	Compressor Equipment	0	72,892	0	72,892	0
36340	Meas. & Reg. Sta. Equip.	0	28,481	0	28,481	0
36350	Other Equipment	0	1,088,220	0	1,088,220	0
	Total Local Storage Plant	0	7,920,737	0	7,920,737	0
	DISTRIBUTION PLANT					
37410	Land	0	343,471	0	343,471	0
37420	Land Rights	0	0	0	0	0
37500	Structures & Improvements	0	234,711	0	234,711	0
37600	Mains	863,072	182,629,896	863,072	183,492,968	871,572
37800	Meas. & Reg. Sta.-General	(797)	2,999,763	(797)	2,998,966	(797)
37900	Meas. & Reg. Sta.-City Gate	0	1,891,533	0	1,891,533	0
38000	Services	589,061	143,122,916	589,061	143,711,977	589,061
38100	Meters	102,198	15,380,147	102,198	15,482,345	102,198
38200	Meter Installations	(3,393)	7,022,887	(3,393)	7,019,494	(3,393)
38300	House Regulators	37,400	4,565,930	37,400	4,603,330	37,400
38400	House Regulators Installations	0	2,719,261	0	2,719,261	0
38500	Industrial Meas. & Reg. Sta.	0	292,201	0	292,201	0
38700	Other Equipment	0	157,241	0	157,241	0
	Total Distribution Plant	1,587,541	361,359,957	1,587,541	362,947,498	1,596,041
	GENERAL PLANT					
38910	Land	0	1,390,865	0	1,390,865	0
39000	Structures & Improvements	0	9,752,758	0	9,752,758	0
39100	Office Furniture & Equipment	(851)	1,784,324	(851)	1,783,473	(851)
39110	Mainframe Equipment	0	38,122	0	38,122	0
39120	PC-related Equipment	89,300	1,206,659	0	1,206,659	0
39130	CIS Project	0	0	0	0	0
39140	Client/Server Applications	0	0	0	0	0
39200	Transportation Equipment	0	17,389	0	17,389	0
39300	Stores Equipment	0	14,918	0	14,918	0
39400	Tools & Shop Equipment	30,111	1,875,917	30,111	1,906,028	30,111
39500	Laboratory Equipment	0	0	0	0	0
39600	Power Operated Equipment	(605)	427,506	(605)	426,901	(605)
39700	Communication Equipment	0	1,473,299	0	1,473,299	0
39800	Miscellaneous Equipment	0	184,591	0	184,591	0
39900	Other Tangible Property	0	1,490,872	0	1,490,872	0
	Total General Plant	117,955	19,657,220	28,655	19,685,875	28,655
	TOTAL UTILITY PLANT IN SERVICE	1,705,496	389,358,872	1,616,196	390,975,068	1,624,696

PIEDMONT NATURAL GAS COMPANY, INC.
PROJECTED DEPRECIATION EXPENSE
TWELVE MONTHS ENDING MAY 31, 2001

PLT-21

ACCOUNT NUMBER	TITLE OF ACCOUNT	TENNESSEE BALANCE @4-30-01	Projected Net Additions 05/31/01	TENNESSEE BALANCE @5-31-01
	INTANGIBLE PLANT			
30100	Organization	30,035	0	30,035
30200	Franchises and Consents	109,186	0	109,186
30300	Misc. Intangible Plant	281,737	0	281,737
	Total Intangible Plant	420,958	0	420,958
	LOCAL STORAGE PLANT			
36000	Land	620,064	0	620,064
36100	Structures & Improvements	503,355	0	503,355
36200	Gas Holders	2,903,543	0	2,903,543
36300	Purification Equipment	404,453	0	404,453
36310	Liquefaction Equipment	1,119,880	0	1,119,880
36320	Vaporizing Equipment	1,179,849	0	1,179,849
36330	Compressor Equipment	72,892	0	72,892
36340	Meas. & Reg. Sta. Equip.	28,481	0	28,481
36350	Other Equipment	1,088,220	0	1,088,220
	Total Local Storage Plant	7,920,737	0	7,920,737
	DISTRIBUTION PLANT			
37410	Land	343,471	0	343,471
37420	Land Rights	0	0	0
37500	Structures & Improvements	234,711	0	234,711
37600	Mains	184,364,540	848,372	185,212,912
37800	Meas. & Reg. Sta.-General	2,998,169	(797)	2,997,372
37900	Meas. & Reg. Sta.-City Gate	1,891,533	0	1,891,533
38000	Services	144,301,038	560,211	144,861,249
38100	Meters	15,584,543	102,198	15,686,741
38200	Meter Installations	7,016,101	(3,393)	7,012,708
38300	House Regulators	4,640,730	37,400	4,678,130
38400	House Regulators Installations	2,719,261	0	2,719,261
38500	Industrial Meas. & Reg. Sta.	292,201	0	292,201
38700	Other Equipment	157,241	0	157,241
	Total Distribution Plant	364,543,539	1,543,991	366,087,530
	GENERAL PLANT			
38910	Land	1,390,865	0	1,390,865
39000	Structures & Improvements	9,752,758	0	9,752,758
39100	Office Furniture & Equipment	1,782,622	(851)	1,781,771
39110	Mainframe Equipment	38,122	0	38,122
39120	PC-related Equipment	1,206,659	0	1,206,659
39130	CIS Project	0	0	0
39140	Client/Server Applications	0	0	0
39200	Transportation Equipment	17,389	0	17,389
39300	Stores Equipment	14,918	0	14,918
39400	Tools & Shop Equipment	1,936,139	30,111	1,966,250
39500	Laboratory Equipment	0	0	0
39600	Power Operated Equipment	426,296	(605)	425,691
39700	Communication Equipment	1,473,299	0	1,473,299
39800	Miscellaneous Equipment	184,591	0	184,591
39900	Other Tangible Property	1,490,872	0	1,490,872
	Total General Plant	19,714,530	28,655	19,743,185
TOTAL UTILITY PLANT IN SERVICE		392,599,764	1,572,646	394,172,410

PIEDMONT NATURAL GAS COMPANY, INC.
SUMMARY OF JOINT PROPERTY ALLOCATED TO TENNESSEE
AS OF AUGUST 31, 1999

PLT-22

PLANT IN SERVICE			
ACCOUNT NUMBER	TITLE OF ACCOUNT	Joint Property Per Books	Allocated to Tennessee
GENERAL PLANT			
38910	Land	1,612,963	402,112
39000	Structures & Improvements	8,198,680	2,043,931
39100	Office Furniture & Equipment	3,084,852	769,054
39110	Mainframe Equipment	8,718,389	2,173,494
39120	PC-related Equipment	6,862,005	1,710,698
39130	CIS Project	17,325,692	4,319,295
39140	Client/Server Applications	9,982,287	2,488,584
39200	Transportation Equipment	2,289,619	570,802
39700	Communication Equipment	3,982,256	992,776
Total Joint Property		62,056,743	15,470,746

Joint Property is allocated to Tennessee on the basis of 24.93% based on three state net plant percentage as of August 31, 1999.

ACCUMULATED DEPRECIATION			
ACCOUNT NUMBER	TITLE OF ACCOUNT	Joint Property Per Books	Allocated to Tennessee
GENERAL PLANT			
38910	Land	0	0
39000	Structures & Improvements	2,047,542	510,452
39100	Office Furniture & Equipment	2,064,873	514,773
39110	Mainframe Equipment	5,305,680	1,322,706
39120	PC-related Equipment	6,333,466	1,578,933
39130	CIS Project	6,903,572	1,721,060
39140	Client/Server Applications	248,491	61,949
39200	Transportation Equipment	1,444,639	360,149
39700	Communication Equipment	168,944	42,118
Total Joint Property		24,517,207	6,112,140

DEPRECIATION EXPENSE					
ACCOUNT NUMBER	TITLE OF ACCOUNT	Joint Property Per Books	Depreciation Rate	Monthly Depreciation Expense	Allocated To Tennessee
GENERAL PLANT					
38910	Land	1,612,963			
39000	Structures & Improvements	8,198,680	2.30%	15,714	3,918
39100	Office Furniture & Equipment	3,084,852	2.15%	5,527	1,378
39110	Mainframe Equipment	8,718,389	12.57%	91,325	22,767
39120	PC-related Equipment	6,862,005	19.72%	112,766	28,112
39130	CIS Project	17,325,692	8.33%	120,269	29,983
39140	Client/Server Applications	9,982,287	10.00%	83,186	20,738
39200	Transportation Equipment	2,289,619		-	-
39700	Communication Equipment	3,982,256	4.15%	13,772	3,433
Total Joint Property		62,056,743		442,559	110,329

28-Oct-99
DDD
TN PIS 08-31-99

PIEDMONT NATURAL GAS COMPANY, INC.
Average Retirements - Tennessee

PLT-23

Account	12 months 12/31/94	12 months 12/31/95	12 months 12/31/96	12 months 12/31/97	12 months 12/31/98	Total	Average Retirements	Average Retire/Month
37600	130,143	155,416	126,309	377	249,449	661,694	132,339	11,028
37800	22,755		23,774	(710)	2,013	47,832	9,566	797
38000	244,849	30,754	105,301	80,565	170,855	632,324	126,465	10,539
38100	148,203	233,983	110,444	121,699	201,805	816,134	163,227	13,602
38200	60,193		58,922	32,369	52,092	203,576	40,715	3,393
38600			0	8,495	0	8,495	1,699	142 x
39000		60,867	0	0	0	60,867	12,173	1,014 x
39100	50,071	3,276	(3,260)	312	668	51,067	10,213	851
39110			0	67,567	0	67,567	13,513	1,126 x
39200	24,971		0	0	16,391	41,362	8,272	689 x
39300			2,686	0	0	2,686	537	45 x
39400	47,361	16,657	(5,895)	676	12,556	71,355	14,271	1,189
39600			8,328	23,850	4,129	36,307	7,261	605
39700	84,202		0	0	0	84,202	16,840	1,403 x
39800			432	0	0	432	86	7 x
	812,748	500,953	427,041	335,200	709,958	2,785,900	557,180	46,430
					less: 'x' not considered recurring			4,426
								42,004

27-Oct-99
DDD
TN PIS 08-31-99

PIEDMONT NATURAL GAS COMPANY, INC.
Average Net Salvage (Salvage less Cost of Removal) - Tennessee

PLT-24

Account	12 months 12/31/94	12 months 12/31/95	12 months 12/31/96	12 months 12/31/97	12 months 12/31/98	Total	Average Net Salvage	Average Net Salvage/Month
37600	(1,426)	(2,450)	(486)	(8,111)	(4,775)	(17,248)	(3,450)	(287)
37800	(4,419)		0	(111)	0	(4,530)	(906)	(76)
38000	(8,628)	(24,078)	(6,316)	(7,516)	(433)	(46,971)	(9,394)	(783)
38100			0	400	0	400	80	7
38200			0	0	0	0	0	0
38600			0	0	0	0	0	0
39000		47,425	0	0	0	47,425	9,485	790
39100		255	0	0	0	255	51	4
39110	400		0	0	0	400	80	7
39200			0	0	1,300	1,300	260	22
39300			0	0	0	0	0	0
39400			0	0	0	0	0	0
39600			0	0	350	350	70	6
39700			0	0	0	0	0	0
39800			0	0	0	0	0	0
	(14,073)	21,152	(6,802)	(15,338)	(3,558)	(18,619)	(3,724)	(310)

27-Oct-99
DDD
TN PIS 08-31-99

PIEDMONT NATURAL GAS COMPANY, INC.
NET PLANT PERCENTAGES - AUGUST 31, 1999

PLT-25

	NC	SC	Total NC and SC	TN	Total
Plant In Service	685,567,416	211,860,290	897,427,706	346,777,611	1,244,205,317
Less Accumulated Depreciation	(195,306,611)	(60,056,319)	(255,362,930)	(125,960,036)	(381,322,966)
Add Construction Work In Progress	52,004,662	11,715,834	63,720,496	13,599,730	77,320,226
Net Plant	542,265,467	163,519,805	705,785,272	234,417,305	940,202,577
Ratio - 2-state	76.83%	23.17%	100.00%		
Ratio - 3-state	57.68%	17.39%		24.93%	100.00%

Source: Plant and Operating Data Schedule from CPR

10-Sep-99
DDD
NP%-08-31-99

NASHVILLE GAS COMPANY
Accumulated Depreciation and Amortization
For the 12 Months Ending May 31, 2001

ACC DEPR -1

Line
No.

1	Accumulated Depreciation	142,110,009
2	Accumulated Amortization	<u>44,012</u>
3	Accumulated Depreciation and Amortization	142,154,021

PIEDMONT NATURAL GAS COMPANY, INC.
 COMPUTATION OF AVERAGE ACCUMULATED DEPRECIATION
 THIRTEEN MONTHS ENDING MAY 31, 2001
 TENNESSEE PLUS JOINT PROPERTY ALLOCATED

ACC DEPR-2

	Accumulated Depreciation	
Balance @ August 31, 1999	118,542,392	
Joint Property Allocated	6,112,140	
Projected Balance @ August 31, 1999	124,654,532	
Projected Additions September 1999	1,118,649	
Projected Balance @ September 30, 1999	125,773,181	
Projected Additions October 1999	1,124,431	
Projected Balance @ October 31, 1999	126,897,612	
Projected Additions November 1999	1,130,493	
Projected Balance @ November 30, 1999	128,028,105	
Projected Additions December 1999	1,136,462	
Projected Balance @ December 31, 1999	129,164,567	
Projected Additions January 2000	1,143,121	
Projected Balance @ January 31, 2000	130,307,688	
Projected Additions February 2000	1,150,183	
Projected Balance @ February 29, 2000	131,457,871	
Projected Additions March 2000	1,156,026	
Projected Balance @ March 31, 2000	132,613,897	
Projected Additions April 2000	1,161,784	
Projected Balance @ April 30, 2000	133,775,681	
Projected Additions May 2000	1,167,384	
Projected Balance @ May 31, 2000	134,943,065	134,943,065
Projected Additions June 2000	1,173,434	
Projected Balance @ June 30, 2000	136,116,499	136,116,499
Projected Additions July 2000	1,179,156	
Projected Balance @ July 31, 2000	137,295,655	137,295,655
Projected Additions August 2000	1,184,632	
Projected Balance @ August 31, 2000	138,480,287	138,480,287
Projected Additions September 2000	1,190,057	
Projected Balance @ September 30, 2000	139,670,344	139,670,344
Projected Additions October 2000	1,196,063	
Projected Balance @ October 31, 2000	140,866,407	140,866,407
Projected Additions November 2000	1,202,201	
Projected Balance @ November 30, 2000	142,068,608	142,068,608
Projected Additions December 2000	1,208,148	
Projected Balance @ December 31, 2000	143,276,756	143,276,756
Projected Additions January 2001	1,214,527	
Projected Balance @ January 31, 2001	144,491,283	144,491,283
Projected Additions February 2001	1,220,829	
Projected Balance @ February 28, 2001	145,712,112	145,712,112
Projected Additions March 2001	1,225,618	
Projected Balance @ March 31, 2001	146,937,730	146,937,730
Projected Additions April 2001	1,230,425	
Projected Balance @ April 30, 2001	148,168,155	148,168,155
Projected Additions May 2001	1,235,058	
Projected Balance @ May 31, 2001	149,403,213	149,403,213
Thirteen Month Average for Attrition Period		142,110,009

PIEDMONT NATURAL GAS COMPANY, INC.
 Projected Amortization and Accumulated Amortization
 Periods Ending May 31, 2001

AMORT-1

AMORTIZATION

Amortization of Franchises Projected for Attrition Period	1,468
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ACCUMULATED AMORTIZATION

Balance @ August 31, 1999	42,182
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Projected Balance	October 1999	42,426	
	November	42,548	
	December	42,670	
	January 2000	42,792	
	February	42,914	
	March	43,036	
	April	43,158	
	May	43,280	43,280
	June	43,402	43,402
	July	43,524	43,524
	August	43,646	43,646
	September	43,768	43,768
	October	43,890	43,890
	November	44,012	44,012
	December	44,134	44,134
	January 2001	44,256	44,256
	February	44,378	44,378
	March	44,500	44,500
	April	44,622	44,622
	May 2001	44,744	44,744

Thirteen Month Total	572,156
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Thirteen Month Average	44,012
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PIEDMONT NATURAL GAS COMPANY
Working Capital - Tennessee Operations
August 31, 1999

<u>Description</u>	<u>Test Year</u>	<u>Effect of Attrition</u>	<u>Attrition Period</u>
Cash	126,900	0	126,900
Materials and Supplies	390,795	41,268	432,063
Gas Inventories	6,473,047	3,646,354	10,119,401
Prepayments	626,656	19,865	646,521
Other Accounts Receivable	6,374	673	7,047
	-----	-----	-----
Total	7,623,772	3,708,160	11,331,932
	-----	-----	-----
Deductions:			
Unpaid for Materials and Supplies	197,086	(16,650)	180,436
Unpaid for CWIP	105,361	(39,491)	65,870
Customers' Deposits	2,764,672	197,950	2,962,622
Other Liabilities	22,161	2,340	24,501
Lead/Lag Study (a)	6,308,339	(586,606)	5,721,733
	-----	-----	-----
Total Deductions	9,397,619	(442,457)	8,955,162
	-----	-----	-----
Working Capital	(1,773,847)	4,150,617	2,376,770
	=====	=====	=====
(a) Comprised of:			
Required for Expenses	2,866,320	(1,355,384)	1,510,936
Deferred Debits	(1,388,127)	364,167	(1,023,960)
Payroll Withholdings	10,563	828	11,391
Sales Tax Collections	165,962	37,993	203,955
Metro Franchise Fees	1,834,206	351,430	2,185,636
Accrued Vacation	153,323	12,016	165,339
Accrued Interest on Customers' Deposits	175,591	12,572	188,163
Accrued pension liability	2,056,114	(63,932)	1,992,182
Accrued OPEB liability	256,693	81,471	338,164
Accrued SEBP liability	<u>177,694</u>	<u>(27,767)</u>	<u>149,927</u>
Total	<u>6,308,339</u>	<u>(586,606)</u>	<u>5,721,733</u>

PIEDMONT NATURAL GAS COMPANY
Average Cash Working Funds
August 31, 1999

Account No.	Description	Allocation Basis	Average	13-Month Total
Bank Accounts				
13501	Refund Account	A	20,000	260,000
13503	Citibank	A	500	6,500
13504	Payroll	A	3,000	39,000
			<hr/>	<hr/>
			23,500	305,500
			<hr/>	<hr/>
Petty Cash				
13507	Nashville	B	13,100	170,300
			<hr/>	<hr/>
Travel Advances				
13525	Nashville Advances	B	28,027	364,348
13595	Morris	A	500	6,500
			<hr/>	<hr/>
			28,527	370,848
			<hr/>	<hr/>
Special Deposits				
13420	Special Deposits	B	5,000	65,000
			<hr/>	
Compensating Balances				
			A	300,000
			<hr/>	
Total			370,127	
			<hr/>	
			=====	
			Total	Tennessee % Amount
				<hr/>
Allocation (a):				
A - Corporate account serving all three states (b)			324,000	24.93% 80,773
B - Tennessee direct			46,127	100.00% 46,127
			<hr/>	<hr/>
Total			370,127	126,900
			<hr/>	<hr/>
			=====	=====
Attrition Period				
A - Corporate account serving all three states (b)			324,000	24.93% 80,773
B - Tennessee direct (c)			46,127	100.00% 46,127
			<hr/>	<hr/>
Total			370,127	126,900
			<hr/>	<hr/>
			=====	=====

(a) Net plant as of August 31, 1999.

(b) Replaced refund account amount with \$20,000, the "normal" balance.

(c) Used history.

PIEDMONT NATURAL GAS COMPANY
Average Materials and Supplies
August 31, 1999

<u>Date</u>	<u>Stores Expense</u>		<u>Total</u>	<u>TN</u>	<u>Total</u>
	<u>Allocated</u>	<u>Actual</u>		<u>Directs</u>	
August 31, 1998	(3,537,886)	3,238,853	(299,033)	487,781	
September 30	(4,050,901)	3,603,181	(447,720)	453,565	
October 31	(4,159,109)	4,009,121	(149,988)	458,082	
November 30	(471,547)	338,532	(133,015)	460,684	
December 31	(830,539)	662,058	(168,481)	442,423	
January 31, 1999	(1,132,948)	957,367	(175,581)	470,111	
February 28	(1,477,807)	1,280,370	(197,437)	487,717	
March 31	(1,967,231)	1,626,318	(340,913)	438,964	
April 30	(2,331,837)	1,921,104	(410,733)	431,672	
May 31	(2,730,471)	2,255,499	(474,972)	478,202	
June 30	(3,055,068)	2,567,093	(487,975)	506,240	
July 31	(3,357,227)	2,864,779	(492,448)	541,513	
August 31	(3,585,492)	3,198,444	(387,048)	461,801	
Total	(32,688,063)	28,522,719	(4,165,344)	6,118,755	
=====					
Divided by			13	13	
Average			(320,411)	470,673	
TN % (a)			24.93%	100.00%	
TN portion			(79,878)	470,673	390,795
Combined Compound Growth Factor					1.1056
Attrition Period					432,063
					=====

Source - MDC and TN Directs per General Ledger, Account 15400.

- Stores Expense per General Ledger, Account 16300 (Allocated)
and Account 16310 (Actual).

(a) Net plant as of August 31, 1999.

PIEDMONT NATURAL GAS COMPANY
Average Gas Inventory
August 31, 1999

Test Period

Date	Account 15150 TGP Market	Account 15151 TGP Production	Account 15160 Columbia (TN Only)	Account 16500 LNG (TN Only)	Account 15125 Hattiesburg	Total
August 31, 1998	6,781,993	(1,334,369)	1,162,040	2,152,294	636,315	9,398,273
September 30	6,603,519	(1,328,648)	1,248,083	2,122,116	411,042	9,056,112
October 31	7,325,550	(1,240,320)	1,292,882	2,261,096	693,431	10,332,639
November 30	7,442,954	(1,287,235)	1,292,882	2,226,882	735,565	10,411,048
December 31	6,912,459	(1,513,310)	795,323	2,323,440	764,345	9,282,257
January 31, 1999	5,725,604	(1,693,814)	543,645	2,038,786	655,716	7,269,937
February 28	4,885,681	(1,978,853)	296,348	1,934,985	655,716	5,793,877
March 31	2,783,954	(2,373,623)	137,673	1,901,188	526,938	2,976,130
April 30	2,367,976	(2,593,872)	307,125	1,869,910	526,938	2,478,077
May 31	3,983,005	(2,268,141)	525,359	1,836,998	526,938	4,604,159
June 30	4,198,161	(2,179,113)	725,025	1,809,701	483,827	5,037,601
July 31	4,198,161	(2,179,113)	772,497	2,047,694	429,780	5,269,019
August 31	4,198,161	(2,179,113)	1,119,637	2,382,136	485,862	6,006,683
Total	67,407,178	(24,149,524)	10,218,519	26,907,226	7,532,413	87,915,812
Divided by	13	13	13	13	13	13
Average	5,185,168	(1,857,656)	786,040	2,069,787	579,416	6,762,755
TN %	100.00%	100.00%	100.00%	100.00%	50.00%	
TN portion	5,185,168	(1,857,656)	786,040	2,069,787	289,708	6,473,047

SOURCE - General Ledger.

PIEDMONT NATURAL GAS COMPANY, INC.
 NASHVILLE GAS DIVISION
 INVENTORY - RATE CASE (99)

DATE	TGP-MKT	FSS	LNG	CNG	HATTIESBURG	TOTAL
05/00	3,994,293.32	739,908.48	1,400,171.50	48,153.74	141,954.53	6,324,481.57
06/00	5,482,020.46	1,092,891.79	1,619,239.00	425,786.64	215,288.03	8,835,225.92
07/00	7,267,293.03	1,445,875.10	2,057,374.00	894,051.44	420,451.03	12,085,044.60
08/00	8,755,020.17	1,740,027.86	2,422,486.50	1,057,188.85	405,812.03	14,380,535.41
09/00	9,052,565.60	1,798,858.41	2,904,435.00	1,057,188.85	625,674.53	15,438,722.39
10/00	10,540,292.74	1,798,858.41	2,904,435.00	1,057,188.85	845,522.03	17,146,297.03
11/00	10,612,899.72	1,740,103.74	2,862,943.50	891,059.18	918,862.03	17,025,868.16
12/00	8,831,215.38	1,299,102.23	2,586,333.50	528,594.43	845,669.53	14,090,915.07
01/01	5,564,794.09	858,100.73	2,171,418.50	274,869.10	684,545.03	9,553,727.45
02/01	2,298,372.80	417,099.22	1,825,656.00	48,328.63	420,826.53	5,010,283.19
03/01	1,704,870.78	123,098.22	1,549,046.00	48,328.63	230,355.53	3,655,699.16
04/01	2,526,483.18	387,835.70	1,479,893.50	48,328.63	171,752.53	4,614,293.54
05/01	4,014,210.32	740,819.01	1,479,893.50	48,328.63	142,447.53	6,425,698.99
13 MONTH AVG	6,203,410.12	1,090,967.61	2,097,178.88	494,415.05	466,858.53	10,352,830.19
PORTION TO TN	100.00%	100.00%	100.00%	100.00%	50.00%	
	<u>6,203,410.12</u>	<u>1,090,967.61</u>	<u>2,097,178.88</u>	<u>494,415.05</u>	<u>233,429.27</u>	<u>10,119,400.93</u>

PIEDMONT NATURAL GAS COMPANY
Average Prepayments
August 31, 1999

Date	166XX Insurance	16614 SEBP Insurance	16671 Inspection Fee	16672 Gross Receipts	Total
August 31, 1998	230,089	119,448	145,880	549,858	
September 30	130,761	119,448	153,766	514,084	
October 31	109,036	116,059	128,138	462,676	
November 30	750,290	65,020	102,510	411,268	
December 31	655,288	13,980	76,882	359,860	
January 31, 1999	783,690	257,026	51,254	308,452	
February 28	688,688	199,534	25,626	257,044	
March 31	778,579	223,820	279,946	205,636	
April 30	691,939	166,224	254,318	154,228	
May 31	596,938	171,407	228,690	102,820	
June 30	501,936	157,119	203,062	51,412	
July 31	417,003	98,978	177,434	329,914	
August 31	324,127	62,802	151,806	302,414	
Total	6,658,364	1,770,865	1,979,312	4,009,666	
Divided by	13	13	13	13	
Average	512,182	136,220	152,255	308,436	
	=====	=====	=====	=====	
TN % (a) and (b)	24.93%	28.10%	100%	100%	
TN Portion	127,687	38,278	152,255	308,436	626,656
	=====	=====	=====	=====	
Inflation Compound Factor					1.0317
Attrition Period					646,521
					=====

(a) Net plant as of 8/31/99 (24.93%).

(b) Actual premiums paid (28.10%).

PIEDMONT NATURAL GAS COMPANY
Average Other Accounts Receivable
August 31, 1999

<u>Date</u>	Account 14323 <u>Miscellaneous</u>
August 31, 1998	(18,146)
September 30	(5,442)
October 31	943
November 30	943
December 31	943
January 31, 1999	10,740
February 28	13,323
March 31	10,586
April 30	10,586
May 31	10,586
June 30	16,241
July 31	22,906
August 31	8,654

Total	82,863
Divided by	13

Average	6,374
Combined Compound Growth Factor	1.1056

Attrition Period	7,047
	=====

Source - General Ledger.

PIEDMONT NATURAL GAS COMPANY

WC-8

Unpaid for Materials and Supplies and CWIP - Tennessee Only
August 31, 1999

Average Balance in Accounts Payable Applicable to Materials and Supplies for the Ten Months Ended August 31, 1999 *	197,086
Average Materials and Supplies for the Ten Months Ended August 31, 1999 *	471,933
Ratio	41.76%
Average Materials and Supplies for the Attrition Period	432,063
Unpaid for the Attrition Period	180,436

Average Balance in Accounts Payable Applicable to CWIP for the Ten Months Ended August 31, 1999 *	105,361
Average CWIP for the Ten Months Ended August 31, 1999 *	9,916,393
Ratio	1.06%
Average CWIP for the Attrition Period	6,199,597
Unpaid for the Attrition Period	65,870

* Information for the entire test period is not readily available. For ratio purposes, using information for the shorter period should not result in a material difference.

PIEDMONT NATURAL GAS COMPANY
Average Balance in Customers' Deposits
Account 23500
August 31, 1999

WC-9

<u>Date</u>	<u>Tennessee</u>
August 31, 1998	2,472,180
September 30	2,472,294
October 31	2,539,377
November 30	2,686,951
December 31	2,854,762
January 31, 1999	2,925,963
February 28	3,009,145
March 31	3,014,494
April 30	2,928,538
May 31	2,829,456
June 30	2,791,632
July 31	2,711,069
August 31	2,704,873
Total	35,940,734
Divided by	13
Average	2,764,672
Compound Customer Growth Factor	1.0716
Attrition Period	2,962,622
	=====

PIEDMONT NATURAL GAS COMPANY

WC-10

Average Other Liabilities

August 31, 1999

<u>Date</u>	Employee Stock Purchase Plan <u>Account 23260</u>
August 31, 1998	92,878
September 30	137,242
October 31	177,890
November 30	235,393
December 31	3,899
January 31, 1999	50,939
February 28	98,113
March 31	143,816
April 30	(5,662)
May 31	63,798
June 30	109,693
July 31	1,836
August 31	45,764
Total	1,155,599
Divided by	13
Average	88,892
TN % (a)	24.93%
TN Portion	22,161
Combined Compound Growth Factor	1.1056
Attrition Period	24,501

(a) Net plant as of August 31, 1999.

PIEDMONT NATURAL GAS COMPANY
 Cash Working Capital -- Lead/Lag Study
 Twelve Months Ended August 31, 1999
 Tennessee Operations

WC-11

Line No.	Description	Per Books	Daily Average	Lag Days	Dollar Days
1	Operating Revenues	133,784,677	366,533	35.47	13,000,938
2	Purchased Gas	60,696,940	166,293	40.63	6,756,484
3	Labor Charged to O&M	13,948,284	38,214	11.00	420,359
4	Payroll Transferred	(376,007)	(1,030)	11.00	(11,332)
5	Transportation Charged to O&M	1,017,069	2,786	5.95	16,580
6	Materials and Supplies Charged to O&M	307,551	843	0.00	0
7	Uncollectible Accounts	456,480	1,251	431.54	539,697
8	Injuries and Damages Insurance	220,451	604	0.00	0
9	Injuries and Damages Insurance Transferred	(95,859)	(263)	0.00	0
10	Employee Benefits Insurance	2,353,767	6,449	6.71	43,271
11	Employee Benefits Insurance Transferred	(687,529)	(1,884)	6.71	(12,639)
12	Pension Expense	730,817	2,002	1.03	2,062
13	Pension Expense Transferred	(232,699)	(638)	1.03	(657)
14	Long-Term Incentive Plan	1,209,957	3,315	867.18	2,874,659
15	Salary Investment Plan	573,998	1,573	10.75	16,905
16	Salary Investment Plan Transferred	(151,451)	(415)	10.75	(4,461)
17	SEBP - Salary Continuation	44,337	121	0.00	0
18	AGA Dues	72,060	197	33.09	6,533
19	Other Operations and Maintenance	10,764,722	29,492	6.96	205,267
20	Total O&M expenses	90,852,888	248,912		10,852,729
21	Depreciation Expense	13,106,814	35,909	0.00	0
22	General Taxes	6,445,894	17,660	169.22	2,988,422
23	Amortization of Investment Tax Credits	(158,445)	(434)	0.00	0
24	Current Federal Income Taxes	3,271,385	8,963	38.00	340,583
25	Deferred Federal Income Taxes	1,389,882	3,808	0.00	0
26	Current State Income Taxes	737,743	2,021	60.75	122,789
27	Deferred State Income Taxes	252,012	690	0.00	0
28	Interest Expense Short-term Borrowings	1,254,693	3,438	(18.00)	(61,875)
29	Interest Expense Long-term Debt	7,757,495	21,253	76.44	1,624,611
30	Common Equity	8,874,316	24,313	0.00	0
31	Total Cost of Service	133,784,677	366,533	43.29	15,867,258
32	Excess Revenue over (under) Expense Lag		(7.82)		
33	Cash Working Capital Required		(2,866,320)		

PIEDMONT NATURAL GAS COMPANY
 Cash Working Capital -- Lead/Lag Study
 Attrition Period - Twelve Months Ending May 31, 2001
 Tennessee Operations

WC-12

Line No.	Description	Attrition Period	Daily Average	Lag Days	Dollar Days
1	Operating Revenues	148,994,079	408,203	35.47	14,478,959
2	Purchased Gas	71,215,379	195,111	40.63	7,927,345
3	Labor Charged to O&M	15,041,441	41,209	11.00	453,304
4	Payroll Transferred	(392,644)	(1,076)	11.00	(11,833)
5	Transportation Charged to O&M	1,124,471	3,081	5.95	18,330
6	Materials and Supplies Charged to O&M	340,028	932	0.00	0
7	Uncollectible Accounts	396,885	1,087	431.54	469,238
8	Injuries and Damages Insurance	572,262	1,568	0.00	0
9	Injuries and Damages Insurance Transferred	(112,392)	(308)	0.00	0
10	Employee Benefits Insurance	2,428,381	6,653	6.71	44,642
11	Employee Benefits Insurance Transferred	(686,995)	(1,882)	6.71	(12,629)
12	Pension Expense	907,417	2,486	1.03	2,561
13	Pension Expense Transferred	(305,058)	(836)	1.03	(861)
14	Long-Term Incentive Plan	606,822	1,663	867.18	1,441,709
15	Salary Investment Plan	592,194	1,622	10.75	17,441
16	Salary Investment Plan Transferred	(157,046)	(430)	10.75	(4,625)
17	SEBP - Salary Continuation	4,787	13	0.00	0
18	AGA Dues	77,219	212	33.09	7,001
19	Other Operations and Maintenance	10,826,677	29,662	6.96	206,448
20	Total O&M expenses	102,479,829	280,767		10,558,070
21	Depreciation Expense	14,961,981	40,992	0.00	0
22	General Taxes	6,861,903	18,800	169.22	3,181,291
23	Amortization of Investment Tax Credits	(146,415)	(401)	0.00	0
24	Current Federal Income Taxes	4,028,877	11,038	38.00	419,445
25	Deferred Federal Income Taxes	1,181,484	3,237	0.00	0
26	Current State Income Taxes	733,930	2,011	60.75	122,154
27	Deferred State Income Taxes	221,568	607	0.00	0
28	Interest Expense Short-Term Borrowings	489,895	1,342	(18.00)	(24,159)
29	Interest Expense Long-Term Debt	8,275,501	22,673	76.44	1,733,094
30	Common Equity	9,905,526	27,138	0.00	0
31	Total Cost of Service	148,994,079	408,203	39.17	15,989,895
32	Excess Revenue over Expense Lag		(3.70)		
33	Cash Working Capital Required		(1,510,936)		

PIEDMONT NATURAL GAS COMPANY

Average Balance in Deferred Debits

August 31, 1999

WC-13

Test Period

Date	OPEB <u>18608</u>	Environmental <u>18612</u>	Pension <u>18617</u>	Rate Case <u>18629</u>	Total
August 31, 1998	354,164	2,655	1,016,093	89,183	1,462,095
September 30	351,514	2,690	1,016,093	84,674	1,454,971
October 31	348,864	2,690	1,016,093	80,064	1,447,711
November 30	346,214	2,690	1,016,093	60,925	1,425,922
December 31	343,564	2,690	1,016,093	60,494	1,422,841
January 31, 1999	340,914	2,690	1,016,093	55,452	1,415,149
February 28	338,264	5,017	1,016,093	50,411	1,409,785
March 31	335,614	5,017	1,016,093	45,370	1,402,094
April 30	332,964	5,017	1,016,093	40,329	1,394,403
May 31	330,314	5,017	1,016,093	35,288	1,386,712
June 30	327,664	5,017	1,016,093	30,247	1,379,021
July 31	325,014	5,017	1,016,093	25,206	1,371,330
August 31	322,364	5,017	1,016,093	20,164	1,363,638
Total	4,397,432	51,224	13,209,209	677,807	18,335,672
Divided by	13	13	13	13	13
Average	338,264	3,940	1,016,093	52,139	1,410,436

Add Transportation Clearing (22,309)

Total 1,388,127

Attrition Period

Estimated balance at:	(a)	(b)	(c)	(d)	
May 31, 2000	298,514	3,940	1,016,093	0	
May 31, 2001	266,714	3,940	508,049	0	
Total	565,228	7,880	1,524,142	0	
Average	282,614	3,940	762,071	0	1,048,625

Add Transportation Clearing (e) (24,665)

Total 1,023,960

(a) Amortized over 15 years beginning October 1994 at \$2,650/month.

(b) Assumed no changes during the attrition period.

(c) Amortized ratably over 24 months beginning June 2000 (\$42,337).

(d) Amortized \$5,041/month on total charges of \$181,481 for three years through December 31, 1999.

(e) Test period amount times the combined compound growth factor of 1.1056.

PIEDMONT NATURAL GAS COMPANY
Summary of Payroll Withholdings
Twelve Months Ended August 31, 1999

WC-14

<u>Month</u>	<u>Federal</u>	<u>Employee FICA</u>	<u>Total</u>
September 30, 1998	743,265	400,473	
October 31	763,623	399,434	
November 30	1,257,794	637,032	
December 31	918,235	404,203	
January 31, 1999	829,735	455,498	
February 28	717,647	416,406	
March 31	716,799	413,743	
April 30	788,764	425,332	
May 31	1,139,348	627,843	
June 30	719,781	400,062	
July 31	804,055	413,830	
August 31	755,797	409,737	
	-----	-----	
Total	10,154,843	5,403,593	
Divided by	365	365	
	-----	-----	
Daily average	27,821	14,804	
Lag days	1	1	
	-----	-----	
Average daily balance	27,821	14,804	42,625
TN % (a)			24.78%

TN portion			10,563
Growth Factor (b)			1.0784

Attrition Period			11,391
			=====

Source - Payroll Department.

(a) Based on payroll charged to O&M for the 12 months ended 8/31/99:

TN	13,948,284
Total	56,286,910
Ratio	24.78%

(b) Attrition adjusted payroll	15,041,441
Test period payroll	13,948,284
Percentage increase	7.84%

PIEDMONT NATURAL GAS COMPANY
Summary of Sales Tax Collections
Twelve Months Ended August 31, 1999

WC-15

<u>Month</u>	<u>Sales Tax Billings - Gas</u>	<u>Sales and Use Tax Payments</u>	<u>Total</u>
September 30, 1998	87,843	41,040	
October 31	97,558	33,716	
November 30	178,871	47,617	
December 31	287,801	129,000	
January 31, 1999	449,611	24,048	
February 28	316,428	34,728	
March 31	291,631	28,936	
April 30	175,900	28,721	
May 31	97,614	28,568	
June 30	88,219	28,407	
July 31	77,491	27,957	
August 31	77,651	33,092	
	-----	-----	
Total	2,226,618	485,830	
Divided by	365	365	
	-----	-----	
Daily collections	6,100	1,331	
Lag days	19.57 (a)	35.00 (b)	
	-----	-----	
Average daily collections	119,377	46,585	165,962
	=====	=====	=====
Attrition Period - Twelve months ending May 31, 2001			
Sales tax billings	2,843,351 (c)		
Divided by	365		

Daily collections	7,790		
Lag days	19.57 (a)		

Average daily collections	152,450	51,504 (d)	203,955
	=====	=====	=====

(a) Paid 20th of the following month, less billing to collection revenue lag:

Revenue lag days	35.47
Less bill to collect lag portion	15.90
Lag days as adjusted	19.57

(b) Paid 20th of the following month ($30 / 2 = 15 + 20 = 35$).

(c) Attrition period gas revenues of \$148,866,560 times a weighted rate of 1.91%.

(d) Test period amount adjusted by the combined compound growth factor of 1.1056.

PIEDMONT NATURAL GAS COMPANY
Summary of Metro Franchise Fees
Twelve Months Ended August 31, 1999

WC-16

<u>Municipality</u>	<u>Service Period</u>	<u>Month of Payment</u>	<u>Lag Days</u>	<u>Payment</u>	<u>\$ Days</u>
Fairview	1/1-12/31	January 1999	212.5	18,432	3,916,800
Greenbrier	6/1-5/31	June 1999	212.5	33,319	7,080,288
Metro-Nashville	12/1-5/31	June 1999	121.0	4,467,006	540,507,726
	6/1-11/30	December 1998	121.5	1,516,946	184,308,939
Whitehouse	9/1-8/31	September 1999	212.5	47,425	10,077,813
Hartsville	5/1-4/30	May 1999	212.5	33,012	7,015,050
Franklin	1/1 - 12/31	January 1999	212.5	15,868	3,371,950
Ashland City	1/1 - 12/31	January 1999	212.5	28,264	6,006,100
Mt. Juliet	7/1 - 9/30	October 1998	76.0	8,238	626,088
	10/1 - 12/31	January 1999	76.0	25,505	1,938,380
	1/1 - 3/31	April 1999	75.0	40,966	3,072,450
	4/1 - 6/30	July 1999	75.5	11,486	867,193
				6,246,467	768,788,777
				=====	=====
Weighted lag days (768,788,777 divided by 6,246,467)				123.08	
Less revenue bill to collect lag				15.90	
Net lag days				107.18	
Daily collections (6,246,467 divided by 365)				17,114	
Average withholdings				1,834,206	
				=====	
Attrition Period - Twelve months ending May 31, 2001					
Attrition period gas revenues				148,866,560	
Metro franchise fee rate				5.00%	
Computed billings				7,443,328	
				=====	
Daily collections (7,443,328 divided by 365)				20,393	
Net lag days above				107.18	
Average withholdings				2,185,636	
				=====	

PIEDMONT NATURAL GAS COMPANY
Average Balance in Accrued Vacation
Account 25316
August 31, 1999

WC-17

Date	Total
August 31, 1998	519,669
September 30	519,669
October 31	636,727
November 30	636,727
December 31	636,727
January 31, 1999	636,727
February 28	636,727
March 31	636,727
April 30	636,727
May 31	636,727
June 30	636,727
July 31	636,727
August 31	636,727
Total	8,043,335
Divided by	13
Average	618,718
TN % (a)	24.78%
TN portion	153,323
Compound Growth Factor for Payroll (b)	1.0784
Attrition Period	165,339

Source - General Ledger.

(a) Based on payroll charged to O&M for the 12 months ended 8/31/99:

TN	13,948,284
Total	56,286,910
Ratio	24.78%

(b) Attrition adjusted payroll	15,041,441
Test period payroll	13,948,284
Percentage increase	7.8372%

PIEDMONT NATURAL GAS COMPANY
Interest on Customers' Deposits
August 31, 1999

WC-18

<u>Date</u>	23710 <u>Accrued</u> <u>Interest</u>	<u>Month</u>	43120 <u>Interest</u> <u>Expense</u>
August 31, 1998	165,673		
September 30	173,685	September 30, 1998	12,361
October 31	157,750	October 31	12,529
November 30	164,438	November 30	13,435
December 31	175,060	December 31	14,274
January 31, 1999	182,928	January 31, 1999	14,630
February 28	193,373	February 28	15,046
March 31	202,637	March 31	15,072
April 30	208,675	April 30	14,643
May 31	208,748	May 31	14,147
June 30	214,503	June 30	13,958
July 31	219,253	July 31	13,555
August 31	227,148	August 31	13,524
	-----		-----
Total	2,493,871		167,174
Divided by	13		365
	-----		-----
Daily Balance	191,836	Daily Expense	458
		Revenue Lag Days	35.47

Less Average Uncollected Expense	(16,246)		16,246
	-----		=====
Net	175,591		
	=====		

Attrition Period Adjusted - June 1, 2000 - May 31, 2001

Daily Balance as Above	191,836	Daily Expense as Above	458
Compound Customer Growth Factor	1.0716		1.0716

Attrition Period	205,572	Revenue Lag Days	35.47

Less Average Uncollected Expense	(17,409)		17,409
	-----		=====
Net	188,163		
	=====		

PIEDMONT NATURAL GAS COMPANY
Average Balance in Accrued Pension Liability
Account 23220
August 31, 1999

WC-19

Test Period

<u>Date</u>	<u>Total</u>
August 31, 1998	7,702,957
September 30	7,813,487
October 31	7,924,017
November 30	8,006,517
December 31	8,089,017
January 31, 1999	8,171,517
February 28	8,254,017
March 31	8,336,517
April 30	8,419,017
May 31	8,501,517
June 30	8,584,017
July 31	8,666,517
August 31	8,749,017

Total	107,218,131
Divided by	13

Average	8,247,549
TN % (a)	24.93%

TN portion	2,056,114
	=====

Attrition Period

Estimated balance at:

May 31, 2000	(b)	8,141,105
May 31, 2001	(c)	7,841,105

Total		15,982,210
Average (13 months)		7,991,105
TN % (a)		24.93%

TN portion		1,992,182
		=====

(a) Net plant as of August 31, 1999.

(b) Actual balance at August 31, 1999, of \$8,749,017, plus monthly accruals of \$82,500 in September and October 1999 and an adjustment in September to reduce the fiscal year 1999 expense by \$772,912. No accruals or contributions are anticipated in the fiscal year ending October 31, 2000.

(c) Pro forma balance at May 31, 2000, less projected income of \$300,000.

PIEDMONT NATURAL GAS COMPANY
Average Balance in Accrued OPEB Liability
Account 25322
Test Period Ended August 31, 1999

Per Books

	Aug-1998	Sep-1998	Oct-1998	Nov-1998	Dec-1998	Jan-1999	Feb-1999	Mar-1999	Apr-1999	May-1999	Jun-1999	Jul-1999	Aug-1999
Beginning balance		549,284	771,924	(2,008,716)	(1,767,716)	(1,971,526)	1,383,032	1,624,032	1,865,032	2,106,032	2,347,032	2,588,032	2,829,032
Accruals		222,840	222,840	241,000	241,000	241,000	241,000	241,000	241,000	241,000	241,000	241,000	241,000
Funding for payment of claims			(3,085,166)										
Disbursements for the retiree group			81,886										
Adjustment to reclass propane's liability													
Adjustment to reflect disbursements for the retiree group net of disbursements from plan assets													
Adjustment to correct for prior years' charges					(444,810)	3,113,558							
Ending balance	549,284	771,924	(2,008,716)	(1,767,716)	(1,971,526)	1,383,032	1,624,032	1,865,032	2,106,032	2,347,032	2,588,032	2,829,032	3,070,032

13-month total
Divided by

13,385,506
13

Average
TN % (a)

1,029,654
24.93%

TN portion

256,693

Pro Forma

	Aug-1999	Sep-1999	Oct-1999	Nov-1999	Dec-1999	Jan-2000	Feb-2000	Mar-2000	Apr-2000	May-2000
Beginning balance		3,070,032	3,311,032	261,225	491,225	721,225	951,225	1,181,225	1,411,225	1,641,225
Accruals (b)		241,000	241,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Funding for payment of claims			(2,789,354)							
Disbursements for the retiree group			85,535							
Adjustment to reclass propane's liability			(364,777)							
Adjustment to reflect disbursements for the retiree group net of disbursements from plan assets			(222,211)							
Adjustment to fiscal 1999 expense										
Ending balance	3,070,032	3,311,032	261,225	491,225	721,225	951,225	1,181,225	1,411,225	1,641,225	1,871,225

PIEDMONT NATURAL GAS COMPANY
Average Balance In Accrued OPEB Liability
Account 25322
Test Period Ended August 31, 1999

Attrition Period		May-2000	Jun-2000	Jul-2000	Aug-2000	Sep-2000	Oct-2000	Nov-2000	Dec-2000	Jan-2001	Feb-2001	Mar-2001	Apr-2001	May-2001
(Debit) Credit														
Beginning balance		1,871,225	1,871,225	2,101,225	2,331,225	2,561,225	2,791,225	(57,775)	172,225	402,225	632,225	862,225	1,092,225	1,322,225
Accruals			230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
Funding for payment of claims (c)							(2,800,000)							
Adjustment to reclass propane's liability (c)							86,000							
Adjustment to reflect disbursements for the retiree group net of disbursements from plan assets (c)							(365,000)							
Ending balance		1,871,225	2,101,225	2,331,225	2,561,225	2,791,225	(57,775)	172,225	402,225	632,225	862,225	1,092,225	1,322,225	1,552,225
13-month total		17,633,925												
Divided by		13												
Average		1,356,456												
TN % (a)		24.93%												
TN portion		338,164												

(a) Net plant as of August 31, 1999.

(b) Budget for fiscal 2000. Assumed no change for fiscal 2001.

(c) Actual for October 1999 rounded to the nearest thousand.

PIEDMONT NATURAL GAS COMPANY
Average Balance in Accrued SEBP Liability
Account 25318

WC-22

Test Period - Twelve Months Ended August 31, 1999

<u>Three-State</u>	<u>Accruals</u>	<u>Payments</u>	<u>Balance</u>
August 31, 1998			677,175
September 30	6,040	(7,292)	675,923
October 31	6,040	(7,292)	674,671
November 30	16,380	(7,292)	683,759
December 31	16,420	(7,292)	692,887
January 31, 1999	16,420	(7,292)	702,015
February 28	16,420	(7,292)	711,143
March 31	16,420	(7,292)	720,271
April 30	16,420	(7,292)	729,399
May 31	16,420	(10,657)	735,162
June 30	16,420	(6,730)	744,852
July 31	16,420	(6,730)	754,542
August 31	<u>16,420</u>	<u>(6,730)</u>	<u>764,232</u>
Total	<u>176,240</u>	<u>(89,183)</u>	9,266,031
Divided by			<u>13</u>
Average			712,772
TN % (a)			<u>24.93%</u>
TN portion			<u>177,694</u>

<u>Two-State</u>	<u>Accruals</u>	<u>Payments</u>	<u>Balance</u>
August 31, 1998			344,748
September 30	0	(11,459)	333,289
October 31	0	(11,459)	321,830
November 30	0	(11,459)	310,371
December 31	0	(11,459)	298,912
January 31, 1999	0	(11,459)	287,453
February 28	0	(11,459)	275,994
March 31	0	(11,459)	264,535
April 30	0	(11,459)	253,076
May 31	0	(16,747)	236,329
June 30	0	(10,576)	225,753
July 31	0	(10,576)	215,177
August 31	<u>0</u>	<u>(10,576)</u>	<u>204,601</u>
Total	<u>0</u>	<u>(140,147)</u>	3,572,067
Divided by			<u>13</u>
Average			274,774
TN % (a)			<u>0.00%</u>
TN portion			<u>0</u>
Total TN			<u>177,694</u>

(a) Net plant as of August 31, 1999.

PIEDMONT NATURAL GAS COMPANY
Average Balance in Accrued SEBP Liability
Account 25318
Attrition Period - Twelve Months Ending May 31, 2001

WC-23

<u>Three-State</u>	<u>Accruals</u>	<u>Payments</u>	<u>Balance</u>
August 31, 1999			764,232
September 30	16,420	(6,730)	773,923
October 31	(35,664)	(10,096)	728,162
November 30	1,530	(6,730)	722,963
December 31	1,530	(6,730)	717,763
January 31, 2000	1,530	(6,730)	712,563
February 28	1,530	(6,730)	707,363
March 31	1,530	(12,499)	696,394
April 30	1,530	(18,749)	679,175
May 31	1,530	(12,499)	668,206 *
June 30	1,530	(12,499)	657,237
July 31	1,530	(12,499)	646,268
August 31	1,530	(12,499)	635,299
September 30	1,530	(12,499)	624,330
October 31	1,530	(18,749)	607,111
November 30	1,650	(12,499)	596,262
December 31	1,650	(12,499)	585,413
January 31, 2001	1,650	(9,614)	577,449
February 28	1,650	(9,614)	569,485
March 31	1,650	(9,614)	561,520
April 30	1,650	(14,422)	548,748
May 31	<u>1,650</u>	<u>(9,614)</u>	<u>540,784</u>
Total	<u>10,666</u>	<u>(234,115)</u>	7,818,114 **
Divided by			<u>13</u>
Average			601,393
TN % (a)			<u>24.93%</u>
TN portion			<u>149,927</u>

<u>Two-State</u>	<u>Accruals</u>	<u>Payments</u>	<u>Balance</u>
August 31, 1999			204,601
September 30	0	(10,577)	194,024
October 31	(36,458)	(15,864)	141,701
November 30	0	(10,577)	131,125
December 31	0	(10,577)	120,548
January 31, 2000	0	(6,731)	113,817
February 28	0	(6,731)	107,086
March 31	0	(6,731)	100,355
April 30	0	(10,096)	90,259
May 31	0	(6,731)	83,528 *
June 30	0	(6,731)	76,798
July 31	0	(6,731)	70,067
August 31	0	(6,731)	63,336
September 30	0	(6,731)	56,605
October 31	0	(10,096)	46,509
November 30	0	(6,731)	39,778
December 31	0	(6,731)	33,048
January 31, 2001	0	(2,885)	30,163
February 28	0	(2,885)	27,278
March 31	0	(2,885)	24,394
April 30	0	(4,327)	20,067
May 31	<u>0</u>	<u>(2,885)</u>	<u>17,182</u>
Total	<u>(36,458)</u>	<u>(150,961)</u>	588,754 **
Divided by			<u>13</u>
Average			45,289
TN % (a)			<u>0.00%</u>
TN portion			<u>0</u>
Total TN			<u>149,927</u>

* Beginning of attrition period.

** 13-months total.

(a) Net plant as of August 31, 1999.

PIEDMONT NATURAL GAS COMPANY, INC.
 TENNESSEE DEFERRED FEDERAL AND STATE INCOME TAXES
 TWELVE MONTHS ENDING MAY 30, 2001
 APB11 - EXCLUDING CURRENT DEFERRED ITEMS

08-Dec-99
 DEF.TX-1
 DIR: RATECASE

	DEFERRED FEDERAL INCOME TAXES	DEFERRED STATE INCOME TAXES	TOTAL DEFERRED INCOME TAXES
BALANCE @ AUGUST 31, 1999	(\$16,543,396)	(\$2,062,643)	(\$18,606,039)
PROJECTED INCREASE	(873,588)	(147,345)	(1,020,933)
BALANCE @ MAY 30, 2000	(17,416,984)	(2,209,988)	(19,856,611)
PROJECTED INCREASE	(98,547)	(18,464)	(117,011)
PROJECTED BALANCE @ JUNE 30, 2000	(17,515,531)	(2,228,452)	(19,743,983)
PROJECTED INCREASE	(98,547)	(18,464)	(117,011)
PROJECTED BALANCE @ JULY 31, 2000	(17,614,078)	(2,246,916)	(19,860,994)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ AUGUST 31, 2000	(17,712,535)	(2,265,380)	(19,977,915)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ SEPTEMBER 31, 2000	(17,810,992)	(2,283,844)	(20,094,836)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ OCTOBER 31, 2000	(17,909,449)	(2,302,308)	(20,211,757)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ NOVEMBER 30, 2000	(18,007,906)	(2,320,772)	(20,328,678)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ DECEMBER 31, 2000	(18,106,363)	(2,339,236)	(20,445,599)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ JANUARY 31, 2001	(18,204,820)	(2,357,700)	(20,562,520)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ FEBRUARY 28, 2001	(18,303,277)	(2,376,164)	(20,679,441)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ MARCH 30, 2001	(18,401,734)	(2,394,628)	(20,796,362)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ APRIL 30, 2001	(18,500,191)	(2,413,092)	(20,913,283)
PROJECTED INCREASE	(98,457)	(18,464)	(116,921)
PROJECTED BALANCE @ MAY 31, 2001	<u>(\$18,598,648)</u>	<u>(\$2,431,556)</u>	<u>(\$21,030,204)</u>
ATTRITION PERIOD AVERAGE BALANCE	<u>(\$18,007,885)</u>	<u>(\$2,320,772)</u>	<u>(\$20,346,322)</u>

TOTAL DEF'D STATE INC TAX @10/31/98	TOTAL DEF'D FED INC TAX @10/31/98	10/31/99 ESTIMATED GROSS	DEF'D STATE 10/31/99 AT 6%	DEF'D FED 10/31/99 AT 35%	10/31/00 ESTIMATED GROSS	DEF'D STATE 10/31/00 AT 6%	DEF'D FED 10/31/00 AT 35%	TOTAL DEF'D STATE INC TAX @10/31/00	TOTAL DEF'D FED INC TAX @10/31/00	05/31/01 ESTIMATED GROSS	DEF'D STATE 05/31/01 AT 6%	DEF'D FED 05/31/01 AT 35%	TOTAL DEF'D STATE INC TAX 05/31/01	TOTAL DEF'D FED INC TAX 05/31/01
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL RECEIVABLES														
INVENTORY														
UNIFORM CAPITALIZATION CURRENT YR														
SEC 263A COSTS (PR YR UNICAP)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SEC 481 - UNICAP OF INVENTORY	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL INVENTORY														
DEFERRED GAS COST & UNBILLED REV														
UNBILLED REVENUE CURRENT YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UNBILLED REVENUE PRIOR YEAR	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SEC 481 UNBILLED REVENUE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SEC 481 BUDGET BILLING	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SALES ADJUSTMENT MECH.	0	0	0	0	0	0	0	0	0	0	0	0	0	0
UNACCOUNTED FOR TRACKER	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEFERRED GAS COST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUPPLIER REFUNDS RECEIVED	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUPPLIER REFUNDS REFUNDABLE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL DEFERRED COST OF GAS														
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT ASSETS														
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT LIABILITIES														
TAXES ACCRUED														
STATE GROSS RECEIPTS TAX														
SEC. 461(h)(3) PROPERTY TAX ADJUSTMENT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT LIABILITIES														
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL CURRENT (NET)														
0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NONCURRENT ASSETS														
PROPERTY, PLANT & EQUIPMENT														
DEPRECIATION														
(1,953,772)	(14,840,005)	(3,750,000)	(225,000)	(1,233,750)	(5,379,000)	(322,740)	(1,789,691)	(2,501,512)	(17,843,446)	(2,333,200)	(139,992)	(787,623)	(2,841,504)	(18,611,069)
(1,953,772)	(14,840,005)	(3,750,000)	(225,000)	(1,233,750)	(5,379,000)	(322,740)	(1,789,691)	(2,501,512)	(17,843,446)	(2,333,200)	(139,992)	(787,623)	(2,841,504)	(18,611,069)
SUBTOTAL														
(1,953,772)	(14,840,005)	(3,750,000)	(225,000)	(1,233,750)	(5,379,000)	(322,740)	(1,789,691)	(2,501,512)	(17,843,446)	(2,333,200)	(139,992)	(787,623)	(2,841,504)	(18,611,069)
CAPITALIZED EXPENSES BASIS ADJUSTMENTS														
AMORT DEF INTERCO TRANS	4,947	290,458	0	0	0	0	0	4,947	290,458	0	0	0	4,947	290,458
PAYROLL TAXES	0	(503,206)	0	0	0	0	0	0	(503,206)	0	0	0	0	(503,206)
LNG PAINT AMORTIZATION	416	(68,286)	0	0	0	0	0	416	(68,286)	0	0	0	416	(68,286)
OTHER - G & A	0	(337,792)	0	0	0	0	0	0	(337,792)	0	0	0	0	(337,792)
LNG - INTEREST	0	(237,215)	0	0	0	0	0	0	(237,215)	0	0	0	0	(237,215)
AFUDC	(137,141)	(751,239)	159,479	9,569	52,469	6,000	32,900	(121,572)	(665,870)	11,666	700	3,838	(120,872)	(662,032)
SALES TAX	0	(50,019)	0	0	0	0	0	0	(50,019)	0	0	0	0	(50,019)
REMOVAL COSTS	(24,943)	(542,485)	(5,664)	(340)	(1,863)	(1,213)	(6,651)	(26,496)	(551,009)	87,495	5,250	28,786	(21,246)	(522,223)
PROPERTY LESS THAN \$100	0	(1,357)	0	0	0	0	0	0	(1,357)	0	0	0	0	(1,357)
GAIN ON VEHICLES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EMPLOYEE EXPENSES CAPITALIZED	0	(570,405)	0	0	0	0	0	0	(570,405)	0	0	0	0	(570,405)
TAX GAIN (LOSS) IN EXCESS OF BOOK	5,760	43,099	0	0	0	5,760	0	5,760	43,099	0	0	0	5,760	43,099
CONTRIBUTIONS IN AID OF CONSTR	28,991	164,574	102,431	6,146	33,700	4,500	24,875	39,637	222,949	43,750	2,625	14,394	42,262	237,343

12-3-06

CONSTRUCTION PERIOD INTEREST	227,889	1,234,686	500,000	30,000	164,500	250,000	15,000	82,250	272,889	1,481,436	133,325	8,000	43,864	280,889	1,525,300
CUSTOMER ADVANCES FOR CONSTR	20,170	138,424	0	0	0	0	0	0	20,170	138,424	0	0	0	20,170	138,424
CAPITALIZED CONSTR PERIOD TAXES	48,453	276,144	135,000	8,100	44,415	120,000	7,200	38,480	63,753	360,039	69,996	4,200	23,029	67,953	383,068
AMORT CONSTR PERIOD INT & TAX	(1,205)	(6,818)	0	0	0	0	0	0	(1,205)	(6,818)	0	0	0	(1,205)	(6,818)
AFORDABLE GAS HOME PROGRAM	180,523	1,186,960	0	0	0	0	0	0	180,523	1,186,960	0	0	0	180,523	1,186,960
LINEPK GAS INVENTORY CAPITALIZATION	740	4,575	0	0	0	0	0	0	740	4,575	0	0	0	740	4,575
DEFERRED RATE CASE COSTS	0	0	27,076	1,625	8,908	0	0	0	1,625	8,908	0	0	0	1,625	8,908
ABANDONMENT LOSS	(4,957)	(27,185)	0	0	0	0	0	0	(4,957)	(27,185)	0	0	0	(4,957)	(27,185)
SUBTOTAL CAPITALIZED EXPENSES	349,643	242,903	918,322	55,100	302,129	524,785	31,487	172,654	436,230	717,686	346,232	20,775	113,911	457,005	831,587

OTHER

ACQUISITION ADJ AMORT - GREENBRIER	12,510	103,333	0	0	0	0	0	0	12,510	103,333	0	0	0	12,510	103,333
REG COMM EXPENSE	7,108	(78,834)	0	0	0	0	0	0	7,108	(78,834)	0	0	0	7,108	(78,834)
MANAGEMENT AUDIT	493	2,690	0	0	0	0	0	0	493	2,690	0	0	0	493	2,690
ENVIRONMENTAL COSTS	(93)	(506)	0	0	0	0	0	0	(93)	(506)	0	0	0	(93)	(506)
SUBTOTAL OTHER - NONCURRENT	20,018	26,683	0	0	0	0	0	0	20,018	26,683	0	0	0	20,018	26,683

TOTAL NONCURRENT ASSETS

	(1,584,111)	(14,570,419)	(2,831,678)	(169,900)	(931,621)	(4,854,215)	(291,253)	(1,597,037)	(2,045,264)	(17,099,077)	(1,988,968)	(119,217)	(634,712)	(2,164,481)	(17,752,769)
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NONCURRENT LIABILITIES

NONE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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TOTAL NONCURRENT LIABILITIES

	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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NONCURRENT ADJUSTMENTS

AMORT EXCESS DEF (NET OF TAX)	393,128	32,368	32,368	32,368	32,368	32,368	32,368	32,368	0	457,860	18,879	18,879	18,879	0	476,739
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TOTAL NONCURRENT (NET)

	(1,584,111)	(14,177,291)	(2,799,312)	(169,900)	(899,255)	(4,821,849)	(291,253)	(1,564,671)	(2,045,264)	(16,641,217)	(1,968,089)	(119,217)	(634,833)	(2,164,481)	(17,276,050)
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TOTAL DEFERRED PER APB 11 WITHOUT CURRENT DEFERRED ITEMS

	(1,584,111)	(14,177,291)	(2,799,312)	(169,900)	(899,255)	(4,821,849)	(291,253)	(1,564,671)	(2,045,264)	(16,641,217)	(1,968,089)	(119,217)	(634,833)	(2,164,481)	(17,276,050)
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ELMINATED REV/COST OF GAS

	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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BALANCE PER APB 11 PER RETURN FILED

	(1,584,111)	(14,177,291)													
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ALLOCATED TOTAL COMPANY ITEMS

401K ACCELERATED FUNDING	(71,135)	(325,908)	0	0	0	0	0	0	(71,135)	(325,908)	0	0	0	(71,135)	(325,908)
VEBA - 481A	(50,128)	(229,694)	0	0	0	0	0	0	(50,128)	(229,694)	0	0	0	(50,128)	(229,694)
VEBA - CURRENT	4,899	22,435	0	0	0	0	0	0	4,899	22,435	0	0	0	4,899	22,435
AMORTIZATION OF CIS SOFTWARE	(310,731)	(1,419,046)	0	0	0	0	0	0	(310,731)	(1,419,046)	0	0	0	(310,731)	(1,419,046)
AMORTIZATION OF MOBILE DISPATCH	(12,933)	(58,343)	0	0	0	0	0	0	(12,933)	(58,343)	0	0	0	(12,933)	(58,343)
DEFERRED COMP	77	(37,600)	0	0	0	0	0	0	77	(37,600)	0	0	0	77	(37,600)
PREMIUM ON BOND REDEMP & AMORT	1,824	(10,727)	0	0	0	0	0	0	1,824	(10,727)	0	0	0	1,824	(10,727)
PREMIUM ON BOND REDEMP & AMORT	(7,181)	(29,726)	43,125	2,588	14,188	43,125	2,588	14,188	(1,985)	(1,350)	25,155	1,509	8,276	(476)	6,926
DEFERRED COMP	216,417	1,059,112	(1,372,464)	(82,348)	(451,541)	394,311	23,659	129,728	157,728	737,289	230,002	13,800	75,671	171,528	812,970
SUBTOTAL ALLOCATED ITEMS	(228,872)	(1,029,497)	(1,329,339)	(79,760)	(437,353)	437,436	26,247	143,916	(282,384)	(1,322,934)	255,156	15,309	83,947	(267,075)	(1,238,967)

TOTAL DEFERRED W/O CURRENT ITEMS

	(1,584,111)	(14,177,291)	(2,799,312)	(169,900)	(899,255)	(4,821,849)	(291,253)	(1,564,671)	(2,045,264)	(16,641,217)	(1,968,089)	(119,217)	(634,833)	(2,164,481)	(17,276,050)
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TOTAL DEF FOR RATE CASE PURPOSES

	(1,812,983)	(15,206,788)	(4,128,651)	(249,660)	(1,336,608)	(4,384,413)	(265,006)	(1,420,755)	(2,327,648)	(17,964,151)	(1,712,933)	(103,908)	(550,886)	(2,431,556)	(18,515,037)
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AVG PER MONTH (118,396)

(14,844) (78,698)

NASHVILLE GAS COMPANY
 Unamortized ITC- Pre 1971
 For the 12 Months Ending May 31, 2001

Line No.		Monthly Amort.	End Of Mo. Balance
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		(1)	(3)
1.	Aug, 1999		\$22,578
2.	Sep	657	21,921
3.	Oct	657	21,264
4.	Nov	657	20,607
5.	Dec	657	19,950
6.	Jan, 2000	657	19,293
7.	Feb	657	18,636
8.	Mar	657	17,979
9.	Apr	657	17,322
10.	May	657	16,665
11.	Jun	657	16,008
12.	Jul	657	15,351
13.	Aug	657	14,694
14.	Sep	657	14,037
15.	Oct	657	13,380
16.	Nov	657	12,723
17.	Dec	657	12,066
18.	Jan, 2001	657	11,409
19.	Feb	657	10,752
20.	Mar	657	10,095
21.	Apr	657	9,438
22.	May	657	8,781
24.	Avg. for 12 Months Ending May 31, 2001		\$12,723
			=====

NASHVILLE GAS COMPANY
 Contributions In Aid Of Construction (Acct. 27100)
 For The Twelve Months Ending May 31,2001

Line No.	Month	Amount
---	-----	-----
1.	Aug, 1998	4,010,030
2.	Sep	4,010,030
3.	Oct	4,010,030
4.	Nov	4,010,030
5.	Dec	4,010,250
6.	Jan	4,010,250
7.	Feb	4,024,253
8.	Mar	4,024,253
9.	Apr	4,032,211
10.	May	4,040,455
11.	Jun	4,050,667
12.	Jul	4,055,569
13.	Aug, 1999	4,074,533
14.	Average	4,027,889
15.	Increase from August 31, 1998 to August 31, 1999	64,503
16.	Projected Increase from August 31, 1999 to May 31, 2000 (Annual Increase X 9/12)	48,377
17.	Projected Increase from May 31, 2000 to May 31, 2001 (12 month amount)	<u>64,503</u>
18.	Balance at August 31, 1999	4,074,533
19.	Projected balance at May 31, 2000	<u>4,122,910</u>
20.	Projected balance at May 31, 2001	<u>4,187,413</u>
21.	Projected Attrition Year Average CIAC	4,155,162

NASHVILLE GAS COMPANY
 Customer Advances for Construction (Acct. 25222)
 For The Twelve Months Ending May 31,2001

Line No.	Month	Amount
1.	Aug, 1998	186,596
2.	Sep	187,075
3.	Oct	187,075
4.	Nov	187,175
5.	Dec	187,175
6.	Jan	187,175
7.	Feb	187,175
8.	Mar	187,175
9.	Apr	187,175
10.	May	187,175
11.	Jun	187,175
12.	Jul	187,175
13.	Aug, 1999	187,175
14.	Average	187,115
15.	Increase from August 31, 1998 to August 31, 1999	579
16.	Projected Increase from August 31, 1999 to May 31, 2000 (Annual Increase X 9/12)	434
17.	Projected Increase from May 31, 2000 to May 31, 2001 (12 month amount)	<u>579</u>
18.	Balance at August 31, 1999	187,175
19.	Projected balance at October 31, 1999	<u>187,609</u>
20.	Projected balance at October 31, 2000	<u>188,188</u>
21.	Projected Attrition Year Average CADV	187,899



Nashville Gas Company Service Regulations

Table of Contents

Section 1 – General Service Policy

Section 2 - Meters

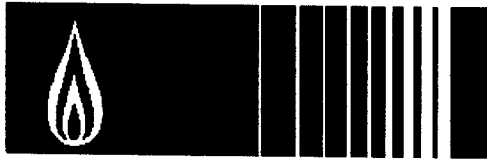
Section 3 – Fuel Lines

Section 4 – Service Lines

Section 5 – Mains

~~Section 6 – Mobile Homes~~

**Section 6 – Rules and Regulations Governing Supply
and Consumption of Gas**



Nashville Gas Company Service Regulations

Section 1 – GENERAL SERVICE POLICY OF NASHVILLE GAS

Nashville Gas (hereinafter referred to as “the Company”) will make free service calls, within certain broad guidelines, around-the-clock on customer appliances connected to our mains. Those service requests requiring immediate attention will be answered as soon as possible. Those of less urgent nature will be answered on a scheduled basis according to the workload. In either case, the Company will make every effort to answer each customer's call promptly and to leave all appliances operating at maximum efficiency.

Free Services (1220-4-5-.06(iii))

The Company provides the following services at no charge to the customer during normal working hours (Mon - Fri, 8am - 5pm, excluding Holidays):

- Install gas meters and regulators for new customers
- Turn-on, turn-off, & service gas meters
- Check for gas leaks
- Investigate the possible presence of carbon monoxide
- Cut off pilots
- Disconnect appliances (disconnect & cap existing pipe only)
- Food Service equipment service including leveling, adjusting, or calibrating
- Diagnostic time or time to provide an estimate for jobbing work
- Quotes for appliance installation
- The first light-up and service call of the heating season on central furnaces (a flat charge applies for each additional light-up)
- Gaslight turn-on and re-lighting
- Service leased water heaters
- Service appliances other than central heating systems or gas air conditioners (no parts needed) including:
 - Service calls to diagnose problems
 - Check gas pressure
 - Adjust burners
 - Clean air mixers
 - Light pilots
 - Clean & adjust pilots
 - Examine flue connections & check draft
 - Check and calibrate thermostats & controls
 - Check appliance wiring & other electrical components
- Service central heating systems including floor furnaces and unit heaters

including:

- Service calls to diagnose problems
- Gas and air adjustments on burners and pilot assemblies
- Adjustments of controls and thermostats
- Minor electrical repairs that do not require materials
- Service Arkla, Bryant, and other gas-fired air conditioners including:
 - Service calls to diagnose problems
 - Gas and air adjustments on burners and pilot assemblies
 - Checks of controls and thermostats
 - Pumping of water-cooled units to maintain operation
 - Purging of non-condensables from air-cooled units

Note: When an appliance is not operating, every effort will be made to answer the call without delay, and in most circumstances, on the same day. Should repair work be required, parts needed to complete the repair will be ordered from the manufacturer and installed if the customer so desires. There is, however, a charge for this service.

The company will also provide immediate response to any hazardous situation that might cause threat to life or property after normal working hours (Mon – Fri, 5pm - 8am; Sat; Sun; & Holidays) at no charge, including:

- Fire or explosion
- Gas leak
- Damaged gas main or service (parts & labor may apply for third party damage repairs)
- Gas appliance that won't cut off
- Carbon monoxide investigation (E077 with symptoms)
- Leased water heater service within 24 hours

Services For Which There Are Charges

- Installation or connection of gas appliances
- Reconnects of gas appliances
- Repair of gas appliances where parts are needed (except central systems)
- Repair or replacement parts, electrical equipment, or thermostats on Arkla or Bryant gas air conditioners beyond Service/Warranty Contract
- Cleaning condensers and condensate lines on gas A/C units
- Gaslight repairs and reconditioning
- Miscellaneous pipe work
- Change outs and reconnects of food service equipment

- Repair of gas air conditioning units installed after January 1, 1975; units on which the Warranty/Service Contract has expired; and units or installations not approved by the Company's Service Department
- Work involving replacement of filters and out-of-warranty parts (charged on a "time and materials" basis)
- After hours work that requires a repair including commercial cooking and water heating equipment (the customer may be given the option for jobbing repair at the current overtime rate, if time and workload permits)

Work the Company Does Not Provide

- Replacement of filters in central heating equipment
- Installation, connection, or repair of unit heaters and central heating equipment
- Repair or replacement of unit heaters and other equipment requiring an electrician
- Repair or installation of gas appliances that are not AGA certified nor where gas appliances are not used in accordance with manufacturer listing
- Repairs on heating equipment that requires parts will not be made except on those units sold by Nashville Gas prior to May 1, 1974. In addition, the Company does not install furnace filters
- No work will be performed on electrical air conditioning units installed with a gas furnace (this work will be referred to the installer or mechanical contractor)

Termination Policy

Reasons for Termination of Service or Denial of Service (1220-4-5-.18)

Service may be refused or discontinued for any of the reasons listed below. Unless otherwise stated, the customer shall be allowed a reasonable time in which to comply with the rule before service is discontinued.

1. With notice in the event of a condition determined by the utility to be hazardous
2. Without notice in the event of customer use of equipment or the utility's service to others
3. Without notice in the event of tampering with the equipment furnished and owned by the utility
4. Without notice in the event of unauthorized use
5. For violation of and/or non-compliance with the utility's rules on file with and approved by the Tennessee Regulatory Authority

6. For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulation by the Tennessee Regulatory Authority
7. For failure of the customer to permit the utility reasonable access to its equipment
8. For non-payment of bill provided that the utility has made a reasonable attempt to effectively collect and has given the customer written notice that he has at least five (5) days, excluding Sundays and holidays, in which to make settlement on his account or have his service denied
9. For failure of the customer to provide the utility with a deposit as authorized by ~~Rule 804.2~~1220-4-5-.14 of the Tennessee Regulatory Authority Statutes
10. For failure of the customer to furnish such services, equipment, permits, certificates, and/or rights-of-way, as shall have been specified by the utility as a condition to obtaining service, or in the event such equipment or permission are withdrawn or terminated

Insufficient Reasons for Denying Service (1220-4-5-.19)

The following shall not constitute sufficient cause for refusal of service to a present or prospective customer:

1. Delinquency in payment for service by a previous occupant of the premises to be served
2. Failure to pay for merchandise purchased from the utility
3. Failure to pay for a different type of class of public utility service
4. Failure to pay the bill of another customer as guarantor thereof
5. Failure to pay a back bill rendered in accordance with ~~Rule 804.5 A,~~ 31220-4-5-.17(a) of Tennessee Regulatory Authority Statutes
- ~~6. Failure to pay adjusted bills based on the undercharges set forth in Rule 804.5 A, 6 of Tennessee Regulatory Authority Statutes~~

Disconnection

The Company has the right to shut off gas from any consumer who may be in arrears for a longer period than twenty (20) days in paying for gas furnished hereunder or under any other prior or subsequent agreement, or for gas used by the consumer at the consumer's present or any prior subsequent address. The said twenty-day period commences to run from the date the bill was rendered. The Company will not shut off gas for non-payment

without first mailing a notice to the consumer giving him seven (7) calendar days to pay the bill in arrears.

Reinstating Service

If natural gas service is disconnected for nonpayment, service will be restored after the customer has paid the total amount past due, paid the reconnection charge and paid a deposit.

Third-Party Notification

At the customer's request, the Company will send a copy of any disconnection notice to a designated third party. However, the designated third party is not responsible for paying the bill.

Medical Emergencies and Life Support Devices

The Company will delay disconnection of gas service for 30 days if a physician, public health officer or social service official certifies in writing that discontinuing gas service will worsen an existing medical emergency for a permanent resident of the premises where services are rendered. A prompt request is important. During the 30-day extension, payment of the bill must be guaranteed by another person or entity that is acceptable to the Company.

The Company will not disconnect service at the service address if there are natural gas appliances that are critical to maintaining the health of one or more permanent residents. The Customer Service Department must be contacted to determine whether a gas appliance is considered a life-support device.

Notice of Rights and Remedies

Should the Customer request help in paying his natural gas bill the Company will provide the customer with a list of community agencies that provide aid in paying their natural gas bill. The company will also, in some cases, make alternative pay arrangements if the

customer is temporarily unable to pay his natural gas bill. However, if such an agreement is made the customer gives up their right to dispute the amount due under the agreement. If the customer does not fulfill the terms of the agreement, the Company may disconnect service and a new pay agreement will not be offered before we disconnect service.

If the Customer wants to appeal an unfavorable decision regarding a natural gas bill, they may contact the Tennessee Regulatory Authority's Complaint Division, 460 James Robertson Parkway, Nashville, TN 37219 (615-741-3939 or 800-342-8359). This must be done before the net due date if the dispute involves a disconnection notice. The Company will not disconnect service for nonpayment of the disputed portion of the bill while it is being reviewed. The Customers right to appeal will not expire if delay on the Company's part makes it impossible to contact the TRA within the required time period. The Customer also has the right to suspend payment of the disputed portion of the bill while the dispute procedures mentioned above are in progress.

Customer Classifications

Residential

Residential service applies to single private residences, including separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered. A dwelling shall be considered non-residential which has more than one apartment or condo on the same meter. A duplex, for example, shall be considered residential only if each of the two units is separately metered. A residential dwelling will also be considered commercial if in the Company's judgment such dwelling and/or usage is identifiable as being used primarily (more than 50%) for business or professional purposes.

Commercial

Commercial service applies to customers engaged in selling, warehousing, or distributing a commodity or service in some business activity or profession or in some other form of economic or social activity. For example, and not by way of limitation, all local, state and federal governmental agencies, any organizations or institutions whether profit or non-profit, with uses other than those involving industrial or residential requirements are classified as commercial customers. Also included are offices, stores, schools, dormitories, hotels, restaurants, apartment houses, religious institutions, orphanages, clubs, boarding and rooming houses, communes, motor courts, camps, and rehabilitation organizations.

Industrial

Industrial service applies to customers primarily engaged in a process that creates or changes raw or unfinished materials into another form of product, including the generation of electric power.

Firm Service

Firm service applies to those schedules or contracts under which the Seller is expressly obligated to deliver specific volumes within a given time period and under which the Seller anticipates no interruptions. This obligation does permit unexpected interruption in those cases where the supply to higher priority customers is threatened.

Interruptible Service

Interruptible (Limited Availability) service refers to those schedules or contracts under which the Seller is not expressly obligated to deliver specific volumes within a given time period. This category of service anticipates and permits interruption on short notice, or service under schedules or contracts that expressly or implicitly require installation of alternate fuel capability.

Temporary Customers

The following are classed as temporary customers:

- People living in rented, electrically heated houses with electric water heaters
- People using construction shanties, temporary buildings, trailers, concession stands, and similar structures
- People living in houses or using business structures in such bad state of repair that it appears likely they will be demolished or condemned within five years
- People living in houses or using business structures where it appears probable that the house or building will be demolished within five years because of urban renewal, highway construction, or the like
- People living in or using mobile homes other than those meeting the requirements set forth in Section 6.

Priority of Service

The Company has established the following categories of service in order of priority:

1. Residential, small commercial (less than 50 MCF on a peak day), school, hospital, police protection, fire protection, sanitation, or correctional facility requirements
2. Essential agricultural requirements
3. Large commercial requirements (50 MCF or more on a peak day), firm industrial requirements for plant protection, feedstock and process needs, pipeline customer storage injection requirements, and firm industrial sales up to 300 MCF per day
4. All industrial requirements not specified in 2, 3, 5, 6, 7, 8, 9 or 10
5. Firm industrial requirements for boiler fuel use at less than 3,000 MCF per day, but more than 1,500 MCF per day, where alternate fuel capabilities can meet such requirements
6. Firm industrial requirements for large volume (3,000 MCF or more per day) boiler fuel use where alternate fuel capabilities can meet such requirements
7. Limited Availability requirements of less than 300 MCF per day, where alternate fuel capabilities can meet such requirements
8. Limited Availability requirements of more than 300 MCF per day but less than 1,500 MCF per day, where alternate fuel capabilities can meet such requirements
9. Limited Availability requirements of intermediate volumes (from 1,500 MCF per day through 3,000 MCF per day), where alternate fuel capabilities can meet such requirements
10. Limited Availability requirements of more than 3,000 MCF per day, but less than 10,000 MCF per day, where alternate fuel capabilities can meet such requirements
11. Limited Availability requirements of more than 10,000 MCF per day, where alternate fuel capabilities can meet such requirements.

Meter Turn On

There is no charge for meter turn on for a new customer. There will be a flat charge for meter turn on for an existing customer or member of same family or household. For turning on meters shut off for non-payment of bills there will be a flat charge for meter turn on plus payment of all past due bills. The Company may also secure an additional customer deposit. If an existing customer requests that his/her meter be turned off for the summer to avoid minimum bills during the summer period and then requests the Company to turn the meter back on, the flat charge for meter turn on will apply.

Gas Wastage (1220-4-5-.06(iv))

Excessive gas consumption without knowledge by the customer may possibly be the result of gas leakage or appliance malfunction. Gas bill adjustments generally will not be permitted for improper and/or inefficient operation of gas appliances or for gas leaks. Adjustments for all special cases will be based upon individual merit dependent upon such factors as prompt action by the customer, the nature of the problem, maintenance of facilities by the customer, the time period involved, etc. An example might possibly be a hot water relief valve stuck open or a broken hot water line on a gas water heater. All such special adjustments shall not exceed 35% of the wastage and shall be approved by the Director of Customer Service (residential) or the General Manager of Marketing (commercial). Wastage shall be based on Service Department inspection or Customer Service Department ~~research~~ ~~researches~~. The Director of Customer Service shall determine consumption rates. Duration of the adjustment shall not exceed 30 days. Where such gas appliance malfunction or gas leakage was directly caused by actions of Company personnel or occurred within 30 days of the date the work was performed by Company personnel, the Company will grant 100% credit of wastage to the customer. The amount of wastage will be approved by the Service Superintendent and not exceed a period of 30 days.

Title to Facilities

The title to all facilities including mains, gas service lines, meters, and accessory equipment up to and including the outlet of the meter assembly shall be vested in the Company, notwithstanding any charge which may be made to the customer for extending service.

Appliance Classifications

Major appliances

- central heating systems
- circulating heater*
- floor furnaces
- gas air conditioners
- water heaters

* A circulating heater will be considered as a major appliance when it has all of the following features:

1. Has an input rating of 40,000 BTU per hour or greater (two or more smaller vented circulating heaters having a combined output of 40,000 BTU or more will be considered as one major appliance)
2. Is used for heating throughout the heating season
3. Is the major source of space heating in the building

Minor appliances

- clothes dryers
- gas fireplaces
- gaslights
- grills
- incinerators
- log starters
- logs
- ranges
- swimming pool gas water heaters

General Installation / Connection & Repair Policy

The following regulations are applicable for residential natural gas appliance connections on Nashville Gas lines. The delivery and uncrating of the appliance is the responsibility of the customer/dealer. The connection/installation of commercial and/or industrial gas appliances is the responsibility of dealer. All natural gas appliance installations on Nashville Gas lines shall comply with the provisions of the Southern Gas Code (SBCCI), as updated. All appliances must also be AGA approved. The Company reserves the right to refuse to connect those appliances which, in its judgment, do not conform to appropriate safety requirements.

Space Heaters and Central Heating

The Company will provide free of charge: a service call to diagnose the problem, gas and air adjustments on burners and pilot assemblies, adjustments to controls and thermostats, and minor electrical repairs not requiring material. The Company shall not make repairs to gas furnaces other than pilots, thermocouples, or other parts we normally stock. A heating contractor, preferably the one who installed the equipment, will perform such repairs. The Company does not install air filters. ~~The customer or a heating contractor must install these. The only exception to the above is under the terms of the Gas Air Conditioning Customer Warranty/Service Contract (see separate section in this manual).~~ The Company will make repairs to gas heating equipment that was installed by the Company. Such repairs will be charged to the customer on a "Time and Material" basis or at a flat charge if so provided for herein.

A Gas Furnace Safety Inspection is provided without charge by ~~our~~ the Company and covers the following:

1. Check for gas leaks at the meter and on the customers' gas fuel lines.
2. Check furnace vent.
3. Safety inspection of the gas fired equipment to ascertain that safety and other limit controls are operating correctly.
4. Safety inspection of the furnace combustion chamber to determine if cracked or unsafe.

A Gas Furnace Operational Inspection is provided at the request of the Federal Housing Authority, Veteran's Administration, HUD, real estate/mortgage firms, or other parties interested in a more thorough operational inspection of the gas fired heating equipment. Such requests should be initially referred to the Marketing Department. There is a charge for this inspection that includes the following:

1. Check for gas leaks at the meter and on the customers' gas fuel lines.
2. Check furnace vent.
3. Safety inspection of the gas fired equipment to ascertain that safety inspection and other limit controls are operating correctly.
4. Inspection of the combustion chamber for safety (check for cracked chamber) and for operational purposes to determine the condition of furnace.
5. Calculate actual equipment input rate (Btu/h) to determine if the burner is operating in accordance with the manufacturers' instructions and rating plate.
6. Make an inspection of the air delivery system to check for the condition of ductwork and delivery of reasonable air volumes.
7. Provide a written report to the client on findings of Operational Inspection.

Automatic Vent Dampers

Automatic vent dampers that are AGA certified and UL listed are acceptable. Dampers must be installed in accordance with the manufacturer's instructions. The name of the qualified installing agency must be affixed to the damper. The vent damper must be so installed and wired so that upon failure it will "fail safe" in the open position. If not, the damper and the associated gas appliance will be red-tagged and turned off. The Company will not install, repair, or provide service on the damper installation. In the instance of a malfunction or a retrofit damper installation, the Company will secure the damper in a "make safe" position and advise the customer to secure repair through the distributor, manufacturer, or installing dealer. The Company does not endorse any specific brand unit and does not endorse or guarantee any claimed energy savings.

Unvented Gas Heaters

The use of UL listed unvented natural gas space heaters is permitted in accordance with the Southern Gas Association Code. However, they may not be located in bedroom areas or sleeping quarters, nor in confined areas where the listed total input rating of such heaters is greater than 30 BTU/HR/CF of space volume (confined space definition). Further, the gas meter will not be turned on in the following cases:

- Where unvented heaters are the primary source of heat in a residence
- Where unvented heaters are the primary source of heat in commercial or industrial structures unless specifically approved by the Service Superintendent or General Superintendent as being unconfined space and adequately ventilated

Gas Air Conditioning

On Arkla, Bryant, and other gas-fired air conditioning units connected to our lines, the Company will provide the following services without charge to the customer:

1. Make service call to diagnose the problem.
2. Perform gas and air adjustments to all burners and pilot assemblies.
3. Check thermostats and controls.
4. Pumping of water-cooled units in order to maintain operations.
5. Purging of non-condensables from air-cooled units.

Other than that described above, and unless specifically covered under appropriate customer Warranty/Service Contract, service work involving repair or parts replacement will be charged to the customer on a "Time and Material" basis. The General Manager of Marketing or the Service Superintendent will determine any exceptions. On request by customer, the Company will replace air filters on gas air conditioning system on our lines for a flat charge, regardless of the number of filters required per job. This will apply to plain flat filters only, not bag or other types.

Water Heaters

All installations of and repairs on water heaters purchased from Nashville Gas will be charged on a "Time & Material" basis. The Company will provide dip tube replacement, thermostat control, and other repairs to the residential customer for a charge based on "Time & Material". For repairs of commercial gas water heaters, the customer is to be referred to local dealer or plumber.

Romines

~~Romines for residential or commercial appliances will be installed for a charge of "Time & Material".~~

Dryers

Installations of and repairs on residential gas clothes dryers will be charged on a "Time & Material" basis. Repair requests on commercial gas clothes dryers, other thermocouples or other parts normally stocked by our storeroom, will be referred to the appropriate dealer for servicing.

Gas Grills

The Company, as part of its free service program, will make burner air and gas adjustments, check controls, and assist in problem diagnosis on a no-charge basis. Installations of and repairs on gas grills will be charged on a "Time & Material" basis. Cleaning and painting of the grill will be the responsibility of customer. The Company may also perform the following:

~~1. Modernization of Falcon Grill: no longer available~~

2.1. Post Replacement: Gas grill posts will be replaced for "Time and Material."
If a special post must be fabricated, the cost of the installation and post will be "Time and Material."

3.2. Repairs to Cut or Damaged Tubing: If repair to tubing is performed by the Company, the charge will be "Time and Material". A service representative can sometimes perform this work, but generally a three-man fitting crew is required.

4.3. All Other Repairs -- All other repairs will be performed at "Time and Material".

Gaslights

With regard to gaslights, the Company will turn on, re-light and replace mantles without charge to the residential customer. Should the residential customer wish to replace the mantles himself, the Company will, upon request, mail to him replacement mantles for residential use in his gaslights without charge. Residential customers may also pick up free replacement mantles for use only in their gaslights at the Company's storeroom. The same gaslight service policies apply to commercial/industrial customers except they will be charged for the mantles. Subdivision entrances and multi-family developments do not qualify for residential use. Services do not include the painting of gaslights or glass cleaning; these are considered the owner's responsibilities.

The Company will recondition the customer's gaslight, including replacement of mantles, cleaning and/or replacement of glass panes as required, and painting repair of gaslight as necessary, for a flat labor charge plus cost of replacement parts (other than mantles). In the case of multiple gaslights on the same piece of property, the labor charge shall apply only to the first light. For each additional light on the same property, an additional charge plus parts (other than mantles) will apply. The same policy applies to commercial customers except they will also be charged for mantles. Installation of and repairs on gaslights will be charged on a "Time & Materials" basis. The Company may also perform the following:

1. Post and/or Light Head Replacement: Post only replacement will be performed by the company on a "Time & Material" basis. All customers needing to purchase a gaslight head will be referred to the Home Energy Center.
2. Repairs to Cut or Damaged Tubing: ~~Residential Customers:~~ If repair to tubing is performed by the Company, the charge will be "Time & Material". A service representative can sometimes perform this work, but generally a three-man

fitting crew is required. ~~Commercial/Industrial Customers: Repairs for Commercial/Industrial Customers performed by the Company will be charged to customer on "Time & Material" basis.~~

3. Complete Replacement: The customer shall be referred to the Company's Home Energy Center. If the customer provides a replacement light head and post of the same basic type, the Company will connect the replacement, charging the customer on a "Time & Material" basis.
4. All Other Repairs: Other repairs will be performed on a "Time & Material" basis.

Gas Logs & Log Starters

All installations of or repairs on gas logs and log starters will be charged on a "Time & Material" basis.

Other Miscellaneous Residential Gas Appliances

All installations of or repairs on other approved gas appliances will be charged on a "Time & Material" basis.

Customer Options

In those instances where a flat charge for connection/repair is listed, the customer may elect prior to our performing the work involved to be charged on a "Time & Material" basis rather than the flat charge. However, having elected to take the T&M option, after the work is completed that decision cannot be reversed and customer will be charged on the "Time & Material" basis. All customer charges described herein are subject to change by the Company.

Appliance Parts Broken by Company Personnel

From time to time when our service personnel are repairing a customer's gas appliance, other adjacent parts become broken during the course of the repair. Such instances leave a question as to whether the customer should be charged for that additional part. Such

decisions shall be at the discretion of the supervisor involved. The following guidelines should be of assistance.

No Charge to Customer

1. Breakage caused by negligence on part of our personnel. In such cases, the employee will be counseled to avoid repetition.
2. Accidental breakage of part considered "relatively new" and our representative was using care and attention to work procedures.

Charge to Customer

1. Parts that may be broken after customer first being warned that we will use care in repair but the customer will be responsible for all parts involved. If the service representative has doubts about the condition of the appliance, he should so warn the customer initially.
2. Any parts broken which are not "relatively new" and in process of normal repair with our representative using reasonable care in work procedures. Where we make a mistake we'll stand behind it, but we will not unilaterally absorb the cost of other parts broken, they will be considered part of the job.

Sales to Employees

The following is applicable for active permanent employees, retired employees and retiree's surviving wife or husband until such time as survivor remarries:

1. Employees may purchase Natural Gas Appliances and accessories at cost from the Home Energy Center. Appliances must be purchased for use only in the employee's own home.
2. Pipe, pipe fittings and similar material carried in stock by the Company may be purchased by employees at warehouse cost, but these also must be used in the employee's own home. The employee's department head must approve purchases exceeding \$15.00. Each month, a list of employee purchases will be supplied to the employee's department head. Each purchase must be released to personnel for documentation and approved by the Customer Service Department if financing is requested.
3. Central gas HVAC systems purchased through Qualified Gas contractors and financed through the Nashville Gas Financing Program will be financed at the lowest rate available to customers. (Presently 8.9%) The units must be installed in the employee's own home.

There is no intent in these rules for employees to unfairly benefit from Company discounts. The giving of false information to obtain a discount from the Company will be considered a cause for discipline.

When an employee purchases a qualifying residential natural gas appliance from the Home Energy Center for connection on Company gas lines for use in his own home, the Company will provide normal installation at cost with no mark up to the employee.

Qualifying residential natural gas appliances are as follows:

- Gas Dryer
- Gas Range, Cooktop, or Walloven
- Gas Grill
- Gas Water Heater
- Gas Space Heaters
- Gas Logs or Log Starter
- Gaslight

Appliances purchased elsewhere will be installed at the normal installation charges as set forth in the service Rules and Regulations Manual. Floor furnaces, central heating and cooling equipment, including pre-vent heaters and wall furnaces, commercial appliances, and pool heater installations are also not qualifying and should be referred to plumbing or mechanical contractors. Relocation of the above listed applicable natural gas appliances, within an employee's own home, will be performed at cost of labor and materials, but no overhead will be charged.

Residential appliance repair on natural gas appliances in use by employee in his own home on Company lines will be performed by the Company with the employee being charged only for the cost of materials with no overhead. Replacement of furnace combustion chambers is not included in this program. Warranty repair work for an appliance obtained from a dealer and still in warranty will be performed by the dealer. The Vice President of Tennessee Operations and the Superintendent of the Service Department will resolve any questions or interpretations of the above policies.

Liquid Propane Conversion to Natural Gas

Any new conversion customer converting from liquid propane (LP) to natural gas will receive gas service line and meter installation on the same basis as any other residential or commercial customer. The fuel lines and any other required conversion labor and materials from the meter to the gas equipment will be the responsibility of the customer. Contractors other than Nashville Gas must perform these conversions.

Residential

Conversion of AGA approved residential gas dryers, grills, logs, and ranges from LP to natural gas is available for a flat charge for each appliance. This charge is to include change of burner orifices and addition or modification of gas appliance pressure regulator. Where a burner cannot be converted and new burner is required, the conversion charge will be "Time and Material." The charge for conversion of more than one of these appliances at the same time, shall be "Time and Material". Conversion of furnaces or other appliances will be done on "Time and Material" basis.

Commercial

Conversion of AGA approved residential gas appliances or commercial gas appliances in a commercial structure will be performed on a "Time and Material" basis. Service line and meter installation will be on the same basis as any other new customer. Any necessary fuel line, house piping and appliance connection will be done on a "Time and Material" basis.

Temporary Conversions to Liquid Propane

When deemed necessary by Nashville Gas, new construction and conversion customers will be temporarily converted to liquid propane at no charge. The conversion back to natural gas will also be performed by Nashville Gas at no charge.



Nashville Gas Company Service Regulations

Section 2 – METERS

Installation & Location

The Company performs standard meter installation at no charge to the customer. However, a customer desiring an underground meter installation will be charged for the additional cost. The most desirable and serviceable location for a new residential meter installation is on the outside of the structure, approximately four feet past the front wall, where it is not subject to damage from automobiles. The new meter shall be so located unless it is physically impractical or it interferes with customer's use of his property. If a problem arises, the Service Superintendent and General Manager of Marketing will make a decision on a location after consulting with the Construction Superintendent. Underground meter locations will not be used except as approved by the Vice President of Tennessee Operations.

~~The most desirable service line and meter location for an inside set is one with a service line extending from the main to just inside the building at the nearest point. The service line should not be located under any paved areas such as driveways or sidewalks. The meter should be located just inside the building where the meter will be accessible for reading. If more than one store or apartment are in the building, all meters should be located at this point.~~

The proper meter location for large outside commercial or industrial meters, especially those having multiple structures, is at the property line wherever possible. Under no circumstances shall a meter be located within 10 feet of a combustion air intake. Further, meters shall not be located within 3 feet of an ignition source such as heating or air conditioning equipment, water heaters, electric meters, switch gear, electric panels, etc.

The customer or owner must at all times provide a proper and accessible location for all meters and regulators. The following rules apply as well:

1. All meters installed on high-pressure services must be installed outdoors.
2. All "farm tap" meters shall be located at the main.
3. All meters served from standard and medium pressure mains shall be installed outdoors, except in those instances in which it is extremely difficult to do so or is very undesirable from the customer's viewpoint. In such cases, the meter may be installed indoors, at the discretion of the Company, if the installation conforms to applicable codes.
4. If a customer desires to use gas solely for swimming pool water heating, the meter shall be located at the house and the fuel line run from this point to the pool heater.
5. If located indoors, the meter shall not be located:

- a. Above the ground floor
- b. Less than 3 feet from a hot air furnace or boiler
- c. Less than 3 feet from a gas oven or hot water heater
- d. On or under stairways
- e. In bathrooms or adjoining clothes closets
- f. In small, unvented, or confined spaces
- g. Where subject to damage, extreme high temperature, or corrosion
- h. In entrances or exits so as to obstruct passage in any way
- i. Less than 10 feet from boilers or other sources of heat, if the meter capacity is 80B or larger

Meter Relocation

~~Inside meters may be moved to an outside location when requested by the customer and approved by the Service Superintendent for a charge based upon Company cost. At the discretion of the Service Superintendent, the Company may relocate the meter outside, without charge to the customer, for Company convenience and benefit if the cost is prohibitive. Scheduling of such work will be at the convenience of the Company. Outside meters will be relocated when requested by the customer, however, the customer will be charged Time and Material.~~

Combined Meter Reading

~~No meter reading from a meter center installed after September 1968 will be combined with meter readings from any other meter center. The exception is as follows: readings from meters supplying gas to outdoor appliances (gaslights, grills, etc.) may be combined with readings from one meter center supplying gas for commercial use to water heating or other heating loads if approved by the Vice President of Tennessee Operations. All of the combined meters must be on a single tract of land. Meter readings from meters supplying two tracts under single ownership but separated by a public street cannot be combined. Readings from two or more meter centers supplying commercial gas service to a single project (apartment complex, shopping center, etc.) cannot be combined. Approval shall be obtained from the Vice President of Tennessee Operations in all instances where readings from two or more meter centers are to be combined for billing purposes.~~

~~— This ban on combined meter centers does not include recapping of manifold (multiple) meters located at a single meter center. It will be at the discretion of the Service Superintendent to specify the most effective type of metering facilities for a meter center, which may include recapping of multiple meters. They will consider such factors as initial cost, maintenance experience, physical restrictions, etc.~~

Meter Testing

The Company maintains a regular program of meter testing and change-out to insure metering accuracy. Upon written request from the customer for a special test of his meter, the Company will inspect the meter at a reasonable time in accordance with provisions of Rules, Regulations and Statutes Governing Public Utilities as issued by the Tennessee Regulatory Authority. Such meters will be considered to register correctly if the error is not greater than plus or minus two percent (2%). If the meter is found to be registering incorrectly, the meter will be repaired or adjusted to conform to standards with no charge to the customer for testing or repair. If the meter is registering correctly, there will be a meter testing charge to the customer.

Meter Tampering or By-pass

The term "metered gas" is defined as "all gas that has passed through the customer's meter." It is Company policy to prosecute those persons involved where the Company finds evidence of meter tampering or by-pass. Such acts are illegal, as well as extremely dangerous, and Tennessee State Law provides for substantial punishment. In such cases, the customer or party involved will be charged for all gas used and the cost of meter repair including travel time and all other related expenses on a "Time and Materials" basis. At the Company's option, gas service may also be terminated. The Regional Customer Service Manager, ~~the Director of Customer Service~~, ~~the Manager of Meter Reading~~, and the Service Superintendent will handle such investigations.

Meter Damage

The customer has a responsibility to provide reasonable protection for the Company's metering facilities from damage by his employees, customers, and the general public. It is not, however, his equipment and he cannot be expected to provide security such as guards, surveillance, enclosures, etc. to protect the Company's meters from acts of vandalism or from the general public. The Company selects and approves meter locations. If a location is in a drive, parking lot, alley, etc. where damage is likely, then it is the Company's responsibility to provide adequate protection such as posts, etc. In cases where the Company's metering facilities are damaged, the Service Department shall conduct investigations of the incidents. The ~~Distribution Superintendent~~ Chief Engineer will approve all proposed meter damage bills after consultation with the General Manager of Marketing and the Service Superintendent. With regard to actual damage responsibility, the following applies:

1. If the customer or his employees cause damage (accidentally or purposely), then the customer should be billed for damages.

2. If a visitor, commercial vehicle, or general public vehicle damages a meter, damage relief should come from that person or firm causing the damage. Damage relief shall not come from the customer, unless it can be proven that the damage by a third party resulted from negligence on the customer's part.



Nashville Gas Company Service Regulations

Section 4 – SERVICE LINES

Service lines are pipes used to carry unmetered gas from the main to just inside the customer's building, in the case of customers having inside meters, or to the customer's meter, in the case of customers having outside meters. The shortest run is the length preferred route of the service line required reaching will be from the nearest adequate main to four (4) feet beyond the customer's nearest building wall. Service lines, service relocations, and extensions may be installed in accordance with applicable codes by either the Company or by an approved contractor approved by the Company. Installations by an approved contractor must be performed to the Company specifications. These specifications may be obtained from the Company's Construction Department. The complete installation must be inspected and approved, prior to being backfilled, by the appropriate Company's representative. In general, service lines should not be laid on vacant property adjoining the building to be served if there is likelihood that a building will be constructed on the vacant property. Service line installation policies are subject to conditions of gas supply and the Company's limited service attachment programs. Customer charges listed herein are subject to change by Company.

Customer Types

Residential

All permanent residential customers except those owning and living in electrically heated houses. (For the rules governing mobile home units, see Appendix A.) Where it is assumed that the service line will be permanently in use, the Company will install free of charge 100 feet of service line for one major appliance where no main extension is required. For gas air conditioning and heating, this amount shall be 200 feet. An additional 50 feet of service line shall be installed free of charge for each additional appliance. These footages refer to the service line between the customer's property line and four (4) feet past the nearest outside building wall. The customer shall replace any sidewalk or pavement on his property that is cut.

Temporary Customer

For temporary service lines to supply appliances not included as major appliances, the customer shall be charged the Company's actual cost for the entire length of the service line from the main to the meter. However, this rule shall not be construed as prohibiting the Company from installing service lines for certain groups of minor appliances as long as the

installation is made under more favorable terms to the customer and no discrimination is practiced between customers whose service requirements are similar.

~~1 1/4" and Smaller \$2.50 Per Foot~~

~~2" and Larger Actual Cost~~

Commercial or Industrial

For permanent use and where revenues justify, the Company will install free of charge 100 feet of service line measured from customer's property line or four feet past the nearest building wall, whichever is less.

~~Owners of Electrically Heated Homes~~

~~If an owner of an electrically heated home installs an automatic gas water heater and/or gas heat as the principal source of heat, he is considered a residential customer.~~

~~If installing gas for any uses other than water heating and major gas heating, the owner is considered a temporary customer.~~

~~If the owner in "b" above installs an automatic gas water heater or uses gas as the principal source of heat in the house within three years from the date of the service line installation, upon application, the Company will refund up to \$250 of the original charge (or \$375 in the event both gas water heating and house heating have been installed).~~

Charges

~~For that portion of the service installed at the customer's expense, the charges, when entirely on the customer's property, under normal conditions and no unusual obstacles will be:~~

~~1 1/4" and Smaller \$2.50 Per Foot~~

~~2" and Larger Actual Cost~~

At the above prices, _____ The facilities to be installed by the Company as described above will be at no cost to the customer if (1) at a minimum the customer will be installing central gas heating or gas water heating, (2) the gas service line extends along the route selected by the Company and (3) the length of the gas service line is no greater than allowed, as shown above. In the event that the above conditions are not met, the service line installed for the customer must provide a reasonable return to the Company. If the customer wishes the facilities to be constructed along a route other than the route selected

by the Company and/or if the gas service line is more than the length allowed above and/or the service to be rendered to the customer will not produce a reasonable return to the Company, the Company may require the customer to pay the excess cost of constructing the facilities along the alternate route or in excess of the footage allowed and/or to make a contribution which will permit the Company to earn a reasonable return. In all cases any pavement or sidewalk cut will be replaced by and at the customer's expense. The charges for piping for the following will be either the cost as estimated by the Construction Department or "Actual Cost" (base labor rate plus material – no overhead) at the customer's option:

- ~~All service extensions~~
- ~~All piping – 6" and larger~~
- ~~All piping – 4" and smaller when installed under usual conditions~~
- ~~All service piping installed at the customer's expense under city payments~~
- ~~Re-routing of service lines~~

Exceptions

In cases where there is exceptional cost due to length of service, paving (such as crossing major street), rock, etc., these service orders shall be referred to reviewed by the Engineering Department on a case-by-case basis to determine if revenue received will justify the added expense. The Chief Engineer and the General Manager of Marketing must approve these exceptions. Examples: A residence may have several hundred feet of excess service line but the revenue would justify the added expense of the service line or a customer may have a small revenue and the paving cost would be so great as to make it uneconomical.

Excess Service

Excess service refers to that portion of the total cost of a service line installed for a customer that is in excess of the Company's justifiable investment and is that portion of service line cost paid for by the customer. A customer may pay the excess service charge with cash or credit with approval, and may spread the cost over three years interest free on a with monthly installment payment basis. Interest will be computed on the unpaid balance at a rate of 1.5% monthly. Residential customers having paid excess service charges may be able to obtain a partial or complete refund of the charges if, within a three year period from the date the service was installed, the customer who paid the excess service charges

~~contacts the Company. The customer shall be refunded this charge under the terms of the Service Line Refund Certificate at the rate of 50 feet of service line at \$1.50 per foot (\$75.00) per major appliance installed. In no case shall the Company refund a larger amount than that originally paid by the customer.~~

Repairs

~~Repairs to service lines damaged by contractors others shall be charged to the contractor at "Time and Material." The same applies to relocations on re-routing requested by the contractor at the Company's actual repair costs.~~

Service Extensions

~~A service extension includes all piping carrying unmetered gas from the termination of the previous service line to the inlet of the meter. Service extensions and relocations shall be installed at the customer's expense. Service extensions within structures must meet the following requirements:~~

- ~~1. They must be exposed (except as noted in #3 below).~~
- ~~2. They must contain no tees or other openings.~~
- ~~3. If an underground service line is installed under a building:~~
 - ~~a. It must be encased in a gas tight conduit (casing).~~
 - ~~b. The conduit and the service line must extend into a normally usable and accessible part of the building if the service line supplies the building it underlies.~~
 - ~~c. The space between the conduit and the service line must be sealed to prevent gas leakage into the building. If the conduit is sealed at both ends, a vent line from the annular space must extend to a point above grade where escaping gas would not be a hazard and extend above grade. It should terminate with a rain and insect resistant fitting. This duct or casing is to be installed in such a manner that the service extension can be withdrawn by making not more than one small cut or excavation in the building floor.~~
- ~~4. Service extensions must not pass through any hot or cold air ducts.~~
- ~~5.4. For standard pressure, the service extension and service pipe must be sized to have a combined total maximum pressure drop not to exceed 0.3 inches of water.~~

Branch Services

Branch services will be permitted only when the point of junction of the two services is either in the public right-of-way or on a customer's property. In the latter case, written and notarized permission of the property owner must be obtained and filed with the Register of Deeds of the appropriate county. In the case of services requiring in-line valves, the service must be branched in the public right-of-way, and the Construction Department must confirm presence of a valve in each branch.

Multiple Buildings on Same Lot

In those cases where two or more buildings are located on the same lot in such a manner as to be reasonably suited to subdividing, the Company will, if requested, run separate service lines to these buildings. However, if the buildings are not so situated (e.g. garage apartments or combination commercial and residential buildings), the Company will not run separate services except where the full cost of the additional service from main to meter, including paving, is borne by the customer.

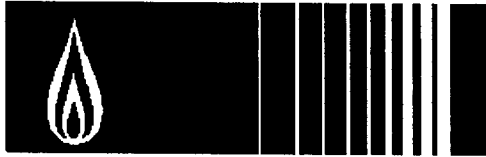
Service Line Enlargements

If the load through an existing service is so increased as to require a larger service line, the Company will enlarge the existing service to a point just within the four (4) feet beyond the customer's nearest outside building wall without charge. Any enlargement of the service line beyond this point will be at the customer's expense. Any extension or fuel line changes will be at the customer's expense.

Shopping Centers

A shopping center shall be considered as a single structure containing a minimum of 7,500 square feet of floor space and a minimum of four (4) tenants or business stores operating within the structure. The Company shall install one service line and install up to 100 feet of service line for each 7,500 square feet of floor space at no cost to the customer provided no unusual construction conditions are present. An additional 100 foot allowance shall be made for each incremental square footage of area that is 50% or larger than the basic 7,500 square feet. The standard Service Rule for commercial buildings shall govern all structures with less than 7,500 square feet of floor space and three (3) tenants or less. Further, the Company shall install one bank of gas meters for each 12,000 square feet of floor space. The final number of meter banks shall be at the discretion of the General

Manager of Marketing, based upon the size and layout of the particular shopping center under consideration.



Nashville Gas Company Service Regulations

Section 5 – MAINS

The Company has a policy of extending its main(s) to serve a new customer (or customers) provided such main extension is determined to be economically feasible. The criteria for economic feasibility shall be met when the total annual net revenue to be obtained from the customer (or customers) provides a rate of return that is equal to or greater than the overall cost of capital established in the Company's last general rate case.

The determination of the anticipated rate of return on the main extension will be based on a net present value (NPV) computation utilizing the following parameters:

1. Net revenues will be calculated by applying the applicable tariff margin rate to the estimated annual total usage.
2. Estimated annual total usage shall be based on those appliances that will be in use during the first five (5) years of service, except as provided in paragraph 3 under "Main Extension Contract".
3. The required investment will be based upon engineering cost estimates as determined by the Company and will include the costs of all facilities required for providing service including material and labor costs associated with the installation of mains, service lines, metering and regulating equipment, easements, rights of way, street crossings, and all other required equipment or facilities.
4. The discount rate shall be equal to the overall cost of capital allowed in the Company's last general rate case adjusted for taxes and depreciation.
5. The discount period shall be equal to the economic useful life of the investment in the mains and services.
6. Main extensions producing a positive net present value at the end of the discount period shall be considered economically feasible.

~~The Company has a policy of extending its main(s) to serve a residential customer (or customers) provided the total gas main investment does not exceed two times the estimated annual revenue (EAR) to be received from the customers for a new residential subdivision, or three times the EAR for customers in an established residential neighborhood. Commercial and industrial extensions will be made if the total gas main investment does not exceed one times the EAR to be received from the customer. The computation to determine the estimated annual gas revenue shall be based on only those appliances that will be in use when the customer first receives service. No allowance will be made for appliances that the customer plans to install in the future, until such appliances are installed within the refund period.~~

Main Extension Contract

To the extent the net present value computation produces a negative result:

1. The customer shall pay to the Company an amount equal to the negative net present value at the end of the discount period, plus any additional funds required to provide for the payment of resulting taxes. This payment may be made in a lump sum or in periodic payments (without interest) -- annual, monthly, etc.
2. If within three (3) years after the original installation, the customer making the payment adds additional major or minor appliances, the Company will refund to the customer (if paid in advance or credit his account if on extended terms), upon written request, an amount equal to the net annual revenues anticipated to be realized from the usage of the additional appliance(s).
3. If within three years after the original installation additional customers are connected to the main then the Company shall refund (or credit his account) to customers making the payment, upon written request, an amount equal the net annual revenues anticipated to be realized from the additional customer(s).
4. In no case shall the customer making the payment be refunded more than he paid.

The above provisions assume that only one customer will make the payments. If two or more customers make the payment, the contract will be adjusted to reflect this fact; for example, if two customers made equal payments and a refund is due because one of the two has added an additional appliance, then the entire refund shall be paid to him.

~~If the investment required to serve a customer (or customers) exceeds the applicable ratio times EAR, the customer may obtain service by entering into a Gas Main Extension Contract with the Company. The major provisions of this contract are:~~

- ~~1. The customer shall pay to the Company the amount by which the estimated investment exceeds the ratio times EAR, (one times EAR for commercial and industrial; two times EAR for new residential subdivisions; and three times EAR for established residential neighborhoods), PLUS an additional 33 percent, representing the effective rate required to provide the necessary funds to pay resulting taxes. This payment may be made in a lump sum or in periodic payments (without interest) -- annual, monthly, etc.~~
- ~~2. If within three (3) years after the original installation the customer making the payment adds additional major or minor appliances, the Company will refund to the customer (if paid in advance or credit his account if on extended terms) an amount equal to one, two, or three times the EAR to be derived from the appliance, depending on the type of extension.~~
- ~~3. If within three years after the original installation additional customers are connected to the main then the Company shall refund (or credit his account) to customers making~~

~~the payment an amount equal to one times the EAR to be derived from the next customer (or customers).~~

~~4. In no case shall the customer making the payment be refunded more than he paid.~~

~~The above provisions assume that only one customer will make the payments. If two or more customers make the payment, the contract will be adjusted to reflect this fact; for example, if two customers made equal payments and a refund is due because one of the two has added an additional appliance, then the entire refund shall be paid to him.~~

Exceptions

This rule shall not be construed as prohibiting the Company from making extensions requiring larger investment than that specified above if the extension is made under more favorable terms to the customer and no discrimination is practiced between customers whose service requirements are similar.

The Company may also make exceptions to the main extension rule when system improvements are realized by the extension or when the extension would enhance the opportunity of adding new customers in the near future.

~~Exceptions will also be made for employees of Nashville Gas as follows:~~

~~1. When the proposed main extension will serve an employee, then the Company will spend up to four times the estimated annual revenue to be derived from the customer-employee. If the proposed main extension is to serve other customers who are not employees, their estimated annual revenue shall be multiplied by two or three depending on type of extension to determine the maximum amount of capital expenditure that the Company will make. For example, if in an established neighborhood one proposed customer is an employee and his EAR is \$250 and the other with an EAR of \$200 is not, then the maximum expenditure the Company will make is \$1,600 (4 times \$250 plus 3 times 200).~~

~~2. Any money paid by the employee for construction of the main will be refunded within the three year period on the basis of four times the estimated annual gas bill for each appliance the employee adds (rather than two). When additional customers are added within this period, the employee will be refunded at the rate of two times the annual revenue derived from these customers. If, the employee and other customers pay the excess cost to get the main installed, then the refund from additional customers will be proportional to the amount each paid.~~

~~3. Any amount paid by the employee must be accompanied by an additional 33 percent, representing the effective rate required to provide the necessary funds to pay resulting taxes.~~

Main Relocation

If a customer requests a re-routing or relocation of a main located on a public right-of-way, the customer will be charged for this work. If the main is located on private property, such as an easement, railroad right-of-way, the case will be referred to the Engineering Department for determination as to whether a charge shall be made. The same will apply to relocations or re-routings requested by a contractor. Repairs to mains damaged by a contractor will be charged to the contractor on a "Time and Materials" basis.

Aboveground Facilities

If the above-ground facilities (such as post regulators, vent pipe, etc.) are so located that they seriously interfere with, or make impracticable, the owner's use of this property, the relocation of such facility will be done at no cost to the customer. An example of serious interference would be when the aboveground facility was located in front of a proposed narrow driveway. In all other cases, the cost of relocation will be charged to the customer. In those cases where it is difficult to determine whether the customer is to be charged for the relocation, the decision shall be made by the Vice President of Tennessee Operations. The charge, unless specified for any of the above items, will be either of the following, at the customer's option, prior to commencement of work:

1. Estimated cost as determined by the Construction Department
2. Actual cost



Nashville Gas Company Service Regulations

Section 6 - Rules and Regulations Governing Supply & Consumption of Gas

The consumer agrees to the following rules and regulations, having made proper application and deposit for service with Nashville Gas Company.

1. Consumer is responsible for damage to any gas meter or equipment belonging to the Company placed on the premises occupied by the consumer and will immediately reimburse the Company for all costs of repairing or replacing same. In accordance with Item (1), Section 1220-4-5-. 18, Reasons for Denial of Service of the Tennessee Regulatory Authority's Rules and Regulations, a consumer may be refused service if consumer has damaged the Company's equipment or tampered with the lock on a meter. The Company will charge \$45.00 for a broken meter lock.
2. Consumer will use gas supplied through Company's meter only. Use of other metering devices or bypassing equipment and tampering or adjustments on company-owned metering facilities by consumer are prohibited. The Company will not permit secondary meter billing.
3. In case the meter has failed to register the quantity of gas consumed, in whole or in part, the consumer will pay such reasonable sum as is ascertained to be due for the period involved.
4. The Company's authorized agents shall have access to consumer's premises at all reasonable times for the purpose of checking, reading, servicing, and disconnecting the meter; shutting off gas; and for such other purposes as the Company may deem advisable to protect its interests.
5. The Company shall be under no duty to inspect, repair, or maintain the service of other pipes, connections, equipment, or appliances located beyond the meter outlet on the premises of the consumer.
6. The consumer shall be liable and shall pay for all gas passing through the meter until it is turned off. When termination of service is requested, consumer must ensure that the Company receives either written or verbal notice at least two days prior to the desired date of termination. Access to the meter must be provided.
7. The consumer is entitled to the usual discount allowed by the Company if bills are paid within the first twelve days following the date bills are rendered. All gas bills are due when rendered and they will be considered as rendered when mailed to the address specified by the consumer. A residential, head of household consumer dependent on social security or other retirement check may request a net to gross

discount waiver. Qualified consumers will be granted a net to gross discount waiver and the account will be monitored for continuing compliance.

8. The Company shall have the right to shut off gas from any consumer who may be in arrears for a longer period than twenty days in paying for gas furnished hereunder or under any other prior or subsequent agreement, or for gas used by consumer at consumer's present or any prior or subsequent address, it being understood hereby that said twenty day period commences to run from date the bill is rendered as above defined. The Company will not shut off gas for non-payment without first mailing a notice to the consumer giving him seven days to pay for the bill in arrears.
9. The Company is authorized to require the consumer to make a deposit, or increase any existing deposit, in such amount as the Company deems proper for its protection before restoring gas service. The deposit amount will not exceed two consecutive billing periods or ninety (90) days, whichever is less.
10. If a consumer is found using gas service without having made proper application and deposit, a notice to the consumer will be delivered to the premises and the consumer will be allowed four days in which to make proper application before the service is discontinued.
11. All consumer deposits will accrue simple interest on the principal at the rate of six (6) percent per annum.
12. The Company will charge ~~\$35~~50.00 for turning on a meter for an existing consumer or member of the same family or household at same address. This charge applies only to those consumers who have previously elected to have the meter turned off without discontinuing service or whose account has been closed because of non-payment of a bill.
13. In the event gas is shut off because of consumer's failure to pay, a charge will be made for each restoration. The Company will charge ~~\$35~~50.00 plus payment of past due gas bills for turning on meters shut off for non-payment of bill. The Company will not be liable for damages for shutting off gas or for delay in restoring service. An additional deposit may also be required.
14. The consumer agrees to notify Company in advance of any planned change in physical premise or environment around meter or service to determine impact on safety cases, meter reading, and meter maintenance.
15. In the event the Company is unable, wholly or in part, by reason of force majeure to carry out its obligations to provide service, the obligations of the Company so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused but for no longer period, and such cause shall as far as possible be remedied with all reasonable dispatch. The term "force majeure" as employed above shall mean acts of God; extreme weather conditions; strikes, lockouts, or other industrial disturbances; acts of the public enemy; war; blockades;

insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; storms; floods; washouts; arrests and restraints of governments and people; civil disturbances; explosions; breakage of or accidents to machinery, lines of pipe, or the Company's peak shaving plants; freezing of wells or lines of reduction in gas pressure by its suppliers; inability to obtain rights-of-way, permits, materials, equipment, or supplies for use in the Company's peak shaving plants; and any other causes whether of the kind herein enumerated or otherwise, not within control of the Company, and which by the exercise of due diligence the Company is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Company, and the above requirement that any force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts when such course is inadvisable in the discretion of the Company.

16. When the Company in its discretion determines that it is necessary to curtail service to maintain the integrity of its distribution system or to provide for its or the public's safety, the Company shall have the right to curtail delivery of gas to any consumer.
17. In the event of a failure or interruption of service, the Company shall use all reasonable diligence to remove the cause or causes thereof, but the Company shall not be liable for any loss or damage resulting from such failure or interruption due to accidents, force majeure, extreme weather conditions, or causes beyond its control.

RATE SCHEDULE NO. 1

Residential Service

AVAILABILITY

Available within the Company's service area to any full requirements single private residences, including the separate private units of apartment houses and other multiple dwellings, actually used for residential purposes, which are separately metered where the Company's distribution mains are suitable for supplying the desired service.

<u>MARGIN RATE</u>	<u>Winter</u> <u>(November-March)</u>	<u>Summer</u> <u>(April-October)</u>
Customer Charge (per month)	\$78.00	\$78.00
Commodity Charge (per therm)	\$.29884 <u>35096</u>	\$.26255 <u>31467</u>
Backup Service Demand Charge (per therm of input per month)	\$.45678 <u>534506</u>	\$.45678 <u>534506</u>

AIR CONDITIONING RIDER

A Residential Customer who uses gas for summer air conditioning shall be billed at a rate of \$.04 per therm less than that listed above for all gas consumed over 50 therms per month. This discount shall apply to all gas used during the billing months of June through October.

MONTHLY CUSTOMER CHARGE

A charge will be billed monthly to all Customers for the availability of gas service. This charge will be in addition to the commodity charge for gas delivered. The Customer charge will be billed from the date of initial service until service is terminated at the Customer's request. In the case of temporary discontinuance of service there will be a reconnect charge of \$50.00 to be billed at the time the gas service is reinstated.

BACKUP SERVICE

When gas service is being supplied for use as a Backup Service for the dual-fuel heat pump or for similar use where the Customer's equipment is specifically designed by the manufacturer or is modified by the Customer or others for the purpose of using natural gas as the equipment's backup energy source, there shall be payable monthly in addition to all and other charges under this Rate Schedule a Backup Service Demand Charge individually determined for each Customer based upon the Customer's applicable gas equipment input rating.

Input shall be based upon individual Customer's applicable gas equipment rating in:

$$\frac{\text{BTU/Hour} \times 10 \text{ hours}}{100,000 \text{ BTU}} = \text{TH}$$

SERVICE AGREEMENTS

All Customers purchasing gas pursuant to this schedule shall be subject to the Company's standard contracts and/or service applications and subject to the Company's Rules and Regulations as filed with the TRA.

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with The Rules, Regulations and Orders of the TRA and Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new and additional service or the transfer of existing service to higher priority end use will be ~~supplied~~considered based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use ~~priority as specified by the Federal Energy Regulatory Commission (FERC)~~, impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is subject to the ~~curtailment~~ provisions contained within TRA Schedule No. 6, "Schedule for Limiting and Curtailing Service".

WEATHER NORMALIZATION ADJUSTMENT

Gas service under this schedule is subject to the provisions contained within TRA Schedule No. 13, "Weather Normalization Adjustment Rider".

RATE SCHEDULE NO. 2

Small General Service

AVAILABILITY

Gas service under this Rate Schedule is available to any full requirements non-residential Customer whose maximum usage during any month of the 12-month period ended the 31st day of March ~~preceding the date in question~~ was not more than 15,000 therms. Availability under this Rate Schedule for new Customers will be based on reasonably anticipated usage. ~~The Company will evaluate the preceding 12 months' consumption history to determine continued qualification for this schedule.~~ A Customer under this Rate Schedule will be eligible to ~~not~~ be transferred to Rate Schedules 3, 4, 7F or 7I ~~until~~ the Customers' usage is 110% or more of the minimum required by such rate schedule. Any such transfers will be effective June 1 of each year. ~~Availability under this Rate Schedule for new Customers will be based on reasonably anticipated usage. The General Service designation applies to Customers whose business is either commercial or industrial in nature and service is available where the Company's distribution mains are suitable for supplying the desired service. Commercial Customers are businesses primarily engaged in the sale of goods or services, including institutions and governmental agencies. Industrial Customers are engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.~~

<u>MARGIN RATE</u>	<u>Winter (November-March)</u>	<u>Summer (April-October)</u>
Customer Charge (per month)	\$202.00	\$202.00
Commodity Charge (per therm)	\$.32596 <u>\$.35095</u>	\$.28827 <u>\$.31467</u>
Backup Service Demand Charge (per therm of input per month)	\$.45678 <u>\$.534506</u>	\$.45678 <u>\$.534506</u>

AIR CONDITIONING RIDER

A Small General Service Customer who uses gas for summer air conditioning shall be billed at a rate of \$.04 per therm less than that listed above for all gas consumed over 500 therms per month. This discount shall apply to all gas used during the billing months of June through October.

MONTHLY CUSTOMER CHARGE

A charge will be billed monthly to all Customers for the availability of gas service. This charge will be in addition to the commodity charge for gas delivered. The Customer charge will be billed from the date of initial service until service is terminated at the Customer's request. In the case of temporary discontinuance of service there will be a reconnect charge of ~~\$50~~ \$35.00 to be billed at the time the gas service is reinstated.

BACKUP RATE

When gas service is being supplied for use as a Backup Service for the dual-fuel heat pump or for similar use where the Customer's equipment is specifically designed by the manufacturer or is modified by the Customer or others for the purpose of using natural gas as the equipment's backup energy source, there shall be payable monthly in addition to all and other charges under this Rate Schedule a Backup Service Demand Charge individually determined for each Customer based upon the Customer's applicable gas equipment input rating.

Input shall be based upon individual Customer's applicable gas equipment rating in:

$$\frac{\text{BTU/Hour} \times 10 \text{ hours}}{100,000 \text{ BTU}} = \text{TH}$$

SERVICE AGREEMENTS

All Customers purchasing gas pursuant to this schedule shall be subject to the Company's standard contracts and/or service applications and subject to the Company's Rules and Regulations as filed with the TRA.

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with The Rules, Regulations and Orders of the TRA and Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new and additional service or the transfer of existing service to higher priority end use will be ~~supplied~~ considered based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is subject to the ~~curtailment~~ provisions contained within TRA Schedule No. 6, "Schedule for Limiting and Curtailing Service".

WEATHER NORMALIZATION ADJUSTMENT

Gas service under this schedule is subject to the provisions contained within TRA Schedule No. 13, "Weather Normalization Adjustment Rider".

RATE SCHEDULE NO. 3

Large General Sales Service

AVAILABILITY

Gas service under this Rate Schedule is available to any full requirements non-residential Customer whose usage during any month of the 12-month period ended the 31st day of March ~~preceding the date in question~~ was in excess of 15,000 therms. Availability under this Rate Schedule for new Customers will be based on reasonably anticipated usage. An existing Customer may also qualify for service under this Rate Schedule based upon reasonably anticipated usage by adding incremental load either by the installation of additional equipment or by increasing hours of operation. Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption. The Company will evaluate the preceding 12 months' consumption history to determine continued qualification for this Rate Schedule. A Customer will ~~not be transferred from this Rate Schedule to Rate Schedule No.2 until~~ the Customers' usage is 90% or less of the minimum required by ~~such~~ this Rate Schedule. Any such transfers will be effective June 1 of each year. ~~The General Service designation applies to customers whose business is either commercial or industrial in nature and service is available where the Company's distribution mains are suitable for supplying the desired service. Commercial customers are businesses primarily engaged in the sale of goods or services, including institutions and governmental agencies. Industrial customers are engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.~~

Once a qualified Customer elects service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule 9 concurrent with service provided under the Rate Schedule. Subject to the requirements set forth above, a Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule No.7F by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided, the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

MARGIN RATE

Demand Charge (per therm of billing demand)	<u>\$.4567880000</u>
Commodity Charge (per therm)	
1st Step (0-15,000 therms)	<u>\$.0803408918</u>
2nd Step (15,001-40,000 therms)	<u>\$.0738208195</u>
3rd Step (40,001-90,000 therms)	<u>\$.0531905904</u>
4th Step (Over 90,000 therms)	<u>\$.0228002530</u>

MONTHLY MINIMUM BILL

The minimum monthly bill shall be the monthly demand charge.

BILLING DEMAND

The billing demand shall be determined as follows:

A Customer's billing demand determinant shall be the highest daily usage during the period from November 1 to March 31 of the previous winter period as metered and reported to the Company by

the telemetering equipment installed by the Company. Changes to the Customer's billing demand determinant will become effective May 1 of each year. The per unit demand charge may be adjusted from time to time to reflect ~~changes rate changes, including, but not limited to, a general change in system rates or a change in pipeline capacity charges~~ billed to the Company.

For Customers commencing initial gas service under this Rate Schedule and who do not have a consumption history from other services provided by the Company, the billing demand determinant shall be computed by multiplying the month of highest consumption for the period to date by ~~06 six percent~~ (6%). If a Customer has received gas service from the Company prior to receiving service under this rate schedule, but does not have daily telemetered records to determine peak day usage as described in the above ~~paragraph~~, the Company shall use ~~six percent (6%) of that Customer's highest previous winter month's consumption for the billing demand determinant~~ determine a billing demand based upon the highest monthly level of consumption during the previous winter period multiplied by six percent (6%).

SERVICE AGREEMENTS

All Customers purchasing gas ~~pursuant under to~~ this Rate Schedule shall be subject to the Company's standard contracts and/or service applications and subject to the Company's Rules and Regulations as filed with the TRA.

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-12 of the TRA Rules and Regulations.

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with The Rules, Regulations and Orders of the TRA and Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new ~~and/or~~ additional service or the transfer of existing service to a higher priority end use will be ~~supplied~~ considered based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is subject to the ~~curtailment~~ provisions contained within TRA Rate Schedule No.6, "Schedule for Limiting and Curtailing Service".

RATE SCHEDULE NO. 4

Interruptible General Sales Service

AVAILABILITY

Gas service under this rate schedule is available **ON AN INTERRUPTIBLE BASIS** to any full requirements non-residential Customer whose usage during any month of the 12-month period ended the 31st day of March ~~preceding the date in question~~ was in excess of 15,000 therms when adjusted for curtailment and cycle length. Availability under this rate schedule for new Customers will be based on reasonably anticipated usage. An existing Customer may also qualify for service under this Rate Schedule by adding incremental load either by the installation of additional equipment or by increasing hours of operation. Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption. The Company will evaluate the preceding 12 months' consumption history to determine continued qualification for this schedule. A Customer will not be transferred from this Rate Schedule to Rate Schedule 2 until the Customers' usage is 90% or less of the minimum required by ~~such~~ this Rate Schedule. Any such transfers will be effective June 1 of each year. ~~The General Service designation applies to customers whose business is either commercial or industrial in nature and service is available where the Company's distribution mains are suitable for supplying the desired service. Commercial customers are businesses primarily engaged in the sale of goods or services, including institutions and governmental agencies. Industrial customers are engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.~~

Once a qualified Customer elects service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule 9 concurrent with service provided under this Rate Schedule. Subject to the requirements set forth above, a Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule No. 71 by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided, the Customer shall discontinue service under this Rate Schedule effective the first June 1 following the notice.

Customers purchasing gas pursuant to this schedule shall maintain, in useable condition, alternate-fuel facilities with ample on-site alternate fuel capability for supplying 100% of the establishment's gas requirements during periods of gas interruption or curtailment. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company, and Customer shall refrain from ~~increasing or~~ using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to ~~cut off~~ suspend gas service without further notice to the Customer in the event Customer fails to curtail ~~his~~ Customer's use of gas in accordance with the Company's ~~verbal~~ notice of curtailment.

MARGIN RATE

Customer Charge (per month)

\$2300.00

Commodity Charge (per therm)	
1 st Step (0-15,000 therms)	\$.08034
2 nd Step (15,001-40,000 therms)	\$.07382
3 rd Step (40,001-90,000 therms)	\$.05319
4 th Step (Over 90,000 therms)	\$.02280

MONTHLY MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

MONTHLY CUSTOMER CHARGE

A charge will be billed monthly to all Customers for the availability of gas service. This charge will be in addition to the commodity charge for gas delivered. The Customer Charge will be billed from the date of initial service until service is terminated at the Customer's request.

SERVICE AGREEMENTS

All Customers purchasing gas pursuant to this schedule shall be subject to the Company's standard contracts and/or service applications and subject to the Company's Rules and Regulations as filed with the TRA.

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with The Rules, Regulations and Orders of the TRA and Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new and additional service or the transfer of existing service to higher priority end use will be supplied based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is subject to the ~~curtailment~~ provisions contained within TRA Schedule No. 6, "Schedule for Limiting and Curtailing Service".

NASHVILLE GAS COMPANY
665 Mainstream Drive
Nashville, Tennessee 37228
A Division of Piedmont Natural Gas Company
TRA Rate Schedule No.4

Original Sheet No. 4
Page 3 of 3

UNAUTHORIZED GAS

~~In the event a Customer fails to discontinue the use of service under this Rate Schedule after one hour's notice to do so, any additional usage shall be deemed unauthorized usage. The Customer shall pay for such unauthorized usage at a rate of \$1.50 per therm plus the commodity charge for gas provided under the TRA Rate Schedule 4~~

ISSUED BY: John H. Maxheim
ORIGINALLY ISSUED ON: May 31, 1996 to be effective June 30, 1996
REISSUED ON: December 31, 1996 to be effective January 1, 1997

EFFECTIVE: June 1, 2000
DOCKET NO: 99-

SERVICE SCHEDULE NO. 6

Schedule for Limiting and Curtailing Service

This Service Schedule defines the types of curtailment that the Company may invoke from time to time due to the occurrence of extreme weather conditions, operating conditions or force majeure events, and describes the process and procedures to be followed in the implementation of gas service restrictions. Gas service under this schedule is limited as to annual, monthly and peak day volumes allowed and is subject to curtailment in the event that the Company's gas supply is not adequate, due to emergency requirements or pipeline supplier curtailments, to meet the demands of the Company's customers. Seller shall promptly notify each affected customer of his curtailment period quantity entitlement and the curtailment period during which it will apply. Seller may modify announced curtailment period quantity entitlements if conditions so require. Curtailment shall be based on the following priority of service categories:

1. ~~Residential, small commercial (less than 50 dekatherms on a peak day), schools, hospitals, police protection, fire protection, sanitation facility, or correctional facility.~~
2. ~~Essential agricultural requirements.~~
3. ~~Large commercial requirements (50 dekatherms or more on a peak day), firm industrial requirements for plant protection, feedstock and process needs, pipeline customer storage injection requirements, and firm industrial sales up to 300 dekatherms per day.~~
4. ~~All industrial requirements not specified in (2), (3), (5), (6), (7), (8), (9) or (10).~~
5. ~~Firm industrial requirements for boiler fuel use less than 3,000 dekatherms per day, but more than 1,500 dekatherms per day, where alternate fuel capabilities can meet such requirements.~~
6. ~~Firm industrial requirements for large volume (3,000 dekatherms or more per day) boiler fuel use where alternate fuel capabilities can meet such requirements.~~
7. ~~Interruptible requirements of more than 300 dekatherms per day but less than 1,500 dekatherms per day, where alternate fuel capabilities can meet such requirements.~~
8. ~~Interruptible requirements of intermediate volumes (from 1,500 dekatherms per day through 3,000 dekatherms per day), where alternate fuel capabilities can meet such requirements.~~
9. ~~Interruptible requirements of more than 3,000 dekatherms per day, but less than 10,000 dekatherms per day, where alternate fuel capabilities can meet such requirements.~~
10. ~~Interruptible requirements of more than 10,000 dekatherms per day, where alternate fuel capabilities can meet such requirements.~~

~~Insofar as practical service will be curtailed in accordance with the reverse order of priorities set forth above, beginning with interruptible service (10) and continuing as required. In the event of a short term emergency curtailment caused by unforeseen supply reductions, force majeure conditions, or to correct or prevent limited distribution system failures within service area, the above curtailment schedule may be modified or revised by Company to accommodate actual emergency~~

~~requirements. Notwithstanding the provisions of this paragraph, the Company shall not be liable for any damages that may result to customers or any other person, firm or corporation by reason of the Company's limiting annual, monthly, or peak day volumes or by curtailing service in accordance with the above order of priorities or in accordance with any other order of priorities which may be deemed practicable by Company under existing conditions.~~

DISTRIBUTION PRESSURE CURTAILMENTS

Due to extreme weather conditions, operating conditions or force majeure events as defined in the Nashville Gas Company Service Regulations, Rules and Regulations Governing Supply and Consumption of Gas, or the demands of the Company's firm Customers as the same may effect the Company's ability to provide interruptible service, the Company may experience localized pressure deficiencies. During such times and within the areas affected, the Company will curtail service to interruptible Customers served under Rate Schedule No. 4, Rate Schedule No. 9, or Rate Schedule 7I, by priority of their margin contribution to the Company (curtailing Customers with the lowest margin rate first) until the pressure situation can be alleviated. In the unlikely event that further interruption is required, the Company will proceed with curtailment by margin contribution considering end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

SUPPLY OR CAPACITY RELATED CURTAILMENTS

In situations when supply and capacity services contracted by the Company are not sufficient to meet the full requirements of Customers desiring sales services from the Company, the Company will first curtail service to interruptible sales Customers receiving service under Rate Schedule No. 4 by priority of their margin contribution to the Company. Customers receiving discounted sales service under Rate Schedule No. 9 will also be curtailed according to the discounted rates. The Company reserves the right at the Company's discretion to purchase quantities being delivered to the Company by Customers under Rate Schedule 7I at market prices in order to serve Customers without operable alternative fuel capability. In the unlikely event that further interruption is required, the Company will proceed with curtailment by margin contribution considering end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

EMERGENCY SERVICE

The Company will make every reasonable effort to deliver plant protection volumes to firm industrial and commercial Customers ~~that do not have~~~~ing no~~ standby fuel systems sufficient to prevent damage to facilities or danger to personnel, or to Customers that find it impossible to continue operations on the Customer's standby or alternate energy source as a result of a bona fide existing or threatened emergency. This includes the protection of such existing material in process that would otherwise be destroyed, but does not include additional or deliveries required to maintain plant production. All emergency gas service is of a discretionary nature and implies no present or future obligation of the Company to any Customer to provide such service on either a temporary or continuing basis. Deliveries of gas hereunder shall be made pursuant only to advance operating arrangements between the Company's authorized personnel and the Customer and shall be subject to curtailment and interruption at any time should the Company deem it necessary.

RATE FOR EMERGENCY SERVICE

If the Company has authorized the Customer to consume limited quantities of emergency gas as provided in the above paragraph, then all gas consumed by the Customer will be at a rate of \$1.00 per therm plus the commodity charge for gas provided under the Customer's appropriate TRA Rate Schedule until otherwise notified that either (1) further gas sales will be under the Customer's regular rate schedule or (2) complete curtailment is unavoidable and that further gas sales will be

considered unauthorized.

LIMITING FIRM GAS SERVICE

~~All commercial and industrial firm gas service entitlements as contracted or otherwise defined in TRA Rate Schedules No. 2 and No. 3 shall at all times be limited by contract or entitlement amount as to annual, monthly and peak day volumes. Contract or entitlement amounts as to annual, monthly and peak day volumes are subject to change by Company as supply conditions or customers' consumption patterns warrant. Any quantity of gas exceeding specified contract or entitlement amounts taken by customer without seller's advance written approval will be subject to unauthorized over run penalty as prescribed below.~~

UNAUTHORIZED OVER RUN PENALTY

If at any time a Customer exceeds specified contract ~~or~~ entitlements or if during any curtailment period, any affected Customer takes, without ~~seller's~~ the Company's advance written approval, a volume of natural gas in excess of the curtailment period quantity entitlement applicable to such Customer, said volume shall constitute an unauthorized over run volume. For each therm of such unauthorized over run volume taken by such Customer, such Customer shall pay to ~~seller~~ the Company a penalty rate of \$1.50 plus the higher of two gas commodity indices, "Monthly Contract" and "Daily Price". "Monthly Contract" shall be defined as the monthly contract index price for the applicable calendar month as published in Gas Daily under the designation, "Monthly Contract Index" and indicated specifically under "Citygates" for Tenn. Zone 6 (delivered)". "Daily Price" shall be defined as the daily price for gas defined by Gas Daily as stated in the "Daily Price Survey", "Citygates", "Tenn. Zone 6 (delivered)", "Midpoint" price. For days of consumption when the Gas Daily is not published, the Gas Daily price shall equal the price as published on the nearest subsequent day by Gas Daily. The Customer shall be liable for the above charges together with and in addition to the demand, commodity, penalty charges and other charges any incremental charges or assessments (including, but not limited to penalties) by the interstate pipeline during the time of the unauthorized usage otherwise payable by such Customer for the period in which said unauthorized over run volume was taken. The payment of a penalty for unauthorized over run volumes shall not under any circumstances be considered as giving any such Customer the right to take unauthorized over-run volumes, nor shall such payment be considered as a substitute for any other remedies available to ~~seller~~ the Company or any other Customer against the offending Customer for failure to adhere to its obligations under the provisions of this Rate Schedule. ~~This penalty over run provision does not apply to Public Housing Authorities or "human needs" Customers provided the Customer either has firm gas service from the Company or provides an affidavit to the Company stating that it has a firm gas supply which is not subject to interruption.~~

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-12 of the TRA Rules and Regulations.

NASHVILLE GAS COMPANY
665 Mainstream Drive
Nashville, Tennessee 37228
A Division of Piedmont Natural Gas Company
TRA Rate Schedule No.6

Page 4 of 4

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with The Rules, Regulations and Orders of the TRA and Laws of the State of Tennessee.

RATE SCHEDULE NO. 7F

Firm Transportation Service

AVAILABILITY

Gas service under this Rate Schedule is available to any full requirements non-residential Customer whose usage during any month of the 12-month period ended the 31st day of March was in excess of 15,000 therms. Availability under this Rate Schedule for new Customers will be based on reasonably anticipated usage. An existing Customer may also qualify for service under this Rate Schedule based upon reasonably anticipated usage by adding incremental load either by the installation of additional equipment or by increasing hours of operation. Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption. A Customer will be transferred from the Rate Schedule to Rate Schedule 2 if the Customers' usage is 90% or less of the minimum required by this Rate Schedule. Any such transfers will be effective June 1 of each year. A Customer may request service under this rate schedule if 1) the Customer qualifies for service under TRA Rate Schedules 3 and/or 10, 2) the Company's distribution mains are suitable for rendering the desired service and 3) the Company has installed adequate telemetering equipment to measure the gas quantities taken hereunder. The Company will evaluate the consumption history for the preceding 12 month period ended the 31st day of March to determine if the Customer continues to qualify for service under this rate schedule. Any transfers to another schedule due to the Customer's lack of sufficient consumption will be effective June 1 of each year.

Once a qualified Customer elects ~~and has qualified for~~ service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term ~~of no less than 12 months~~ extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule 9 ~~coincident to concurrent with~~ service provided by under this Rate Schedule. Subject to the requirements ~~of the first sentence of this paragraph set forth above~~, a Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule 3 ~~and/or 10~~ by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided, the Customer ~~may~~ shall discontinue service under this Rate Schedule effective the first ~~May~~ June 1 following the notice.

APPLICABILITY AND CHARACTER OF SERVICE

Transportation service is available under this Rate Schedule to any qualified Customer connected to the Company's system who has obtained an independent supply of natural gas and has arranged to have this supply delivered to one of the Company's existing delivery points for transportation by the Company to the Customer's facilities.

The Company will deliver gas previously transported by a connected pipeline for the Customer's account under this Rate Schedule on a day-to-day basis in accordance with the Customer's scheduled and confirmed nominations, subject to such maximum allowable daily deliveries as may be specified in the Gas Service Contract. The Company reserves the right to suspend service on any day when, in the Company's sole opinion, its operating conditions are such that suspension of service is necessary. The Company reserves the right to limit, allocate, or direct third party gas nominations among the interstate pipelines serving the Company's distribution system, when, in the Company's sole opinion, such action is necessary to maintain the operational integrity of the system.

Receipts and deliveries of gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalance. Any imbalances shall be corrected by the Customer, insofar as practicable, during the month in which they occur. Customer may adjust its daily nominations during a month in order to correct any accumulated imbalance and maintain a monthly balance, subject to the operating limitations of the Company. The Company reserves the right to limit the amount of such imbalances to avoid operating problems and to comply with balancing requirements of any pipeline transporting gas hereunder. Customer will be responsible for any imbalance charges assessed by the pipeline in connection with any gas transported by the Company under this Rate Schedule. The Company reserves the right to reduce nominations when, in the judgment of the Company, such action is necessary to reduce or eliminate operational problems. Company will use its best efforts to notify the Customer or the Customer's agent before proceeding with a unilateral reduction and will notify Customer of any reduction to Customer's nomination that has been instituted by the Company. The Company reserves the right to initiate Standby Sales Service, described below, when, in the judgement of the Company, such action is necessary to reduce or eliminate operational problems resulting from the gas imbalances of the Customer. The Company will use its best efforts to notify the Customer or the Customer's agent before initiating Standby Sales Service.

By ~~noon~~ 10:30am central time ~~on the 20th day~~ four business days prior to the beginning of each month, the Customer shall inform the Company of its a) ~~election for the succeeding month to either transport gas under this Rate Schedule or purchase gas from the Company under the monthly optional sales service provisions of this Rate Schedule,~~ b) nomination of the daily quantity of gas to be transported ~~or purchased~~ for such month, and c) choice of pipeline for transportation for such month. If the Customer does not provide a timely nomination to transport gas provided by a party other than the Company, the Customer will have ~~nominated monthly optional sales service requested~~ Standby Sales Service provided herein by default. By ~~noon~~ 10:30am central time ~~four~~ six business days prior to the beginning of each month, the Customer must inform the Company of the nominating ~~supplier~~ agent for gas to be transported in order that the Company can confirm such nominations. ~~Once the Customer makes the monthly election and nominations set forth above, any further changes during a month will require the Company's prior permission.~~

Changes to nominations for gas transportation within the month are due by 10:30am central time on the day prior to gas flow.

~~As soon as practicable during the succeeding month, Customer shall provide the Company a copy of its supplier's written verification of actual quantities delivered during the preceding month.~~

BALANCING

It shall be the Customer's responsibility to maintain a daily and monthly balance with its transporting pipelines to avoid any assessment of penalties against the Company. If the Company is assessed a penalty by a Customer's transporting pipeline, the Company shall have the right to pass-through all such penalties to the Customer to the extent the Customer is responsible for causing the Company to be assessed such penalties.

MONTHLY IMBALANCE RESOLUTION

Any differences between the quantities delivered to the Company's city gate facilities for the account of the Customer for the month, and the quantities consumed by the Customer as metered

for the month, shall be the monthly imbalance. Unless the Company and Customer agree to correct imbalances in kind, this imbalance shall be resolved monthly by "cashing out" the imbalance as they are known to exist at that time. If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency, and the Company will sell gas to the Customer in an amount equal to the deficiency and at a price equal to the highest ~~w~~Weighted iIndex ~~p~~Price for any week beginning in the calendar month as published in *Natural Gas Week* plus the Tennessee Gas Pipeline FT-A charges inclusive of all surcharges and fuel times the premium percentage corresponding to the percentage of the deficiency listed in the table below. If the Customer consumes less gas than it has delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price equal to the lowest ~~w~~Weighted iIndex ~~p~~Price for any week beginning in the calendar month as published in *Natural Gas Week* plus the Tennessee Gas Pipeline FT-A charges inclusive of all surcharges and fuel times the discount percentage corresponding to the percentage of the surplus listed in the table below. ~~The methodology for calculating the weighting between the Tennessee Gas Pipeline Zone 1 index and the Columbia Gulf Rayne index will be the same as hereinafter described under Monthly Optional Sales Service.~~

Percentage of the Imbalance	Short (Premium)	Long (Discount)
Equal to or less than 5%	100%	100%
Over 5% & equal to or less than 10%	115%	85%
Over 10% & equal to or less than 15%	130%	70%
Over 15% & equal to or less than 20%	140%	60%
Over 20%	150%	50%

"The Weighted Index Price" shall be derived from the prices published in *Natural Gas Week* in the table Spot Prices on Interstate Pipeline Systems for the following pipeline designations and weighted by the corresponding percentages set forth below:

<u>Tennessee Gas Pipeline Co. Zone 0: South Texas</u>	<u>X</u>	<u>16.12%¹</u>
<u>+</u>		
<u>Tennessee Gas Pipeline Co. Zone 1: South Louisiana</u>	<u>X</u>	<u>77.30%¹</u>
<u>+</u>		
<u>Columbia Gulf Transmission Co.: Rayne, La.</u>	<u>X</u>	<u>6.58%¹</u>

The Company will collect gross receipts tax on the incremental gas related charges.

Any difference between the actual cost of gas incurred by the Company and the Index price as defined in the previous paragraph will be accounted for in the Actual Cost Adjustment account in a manner consistent with Rule No. 1220-4-1-12 of the TRA Rules and Regulations. Increments or decrements which may result from the PGA adjustments will not apply to the cash-out of imbalances.

1 These percentages are the ratio of actual test period purchases for these two pipelines determined in the Company's most recent general rate case.

AGENCY AUTHORIZATION FORM

A Customer may authorize an agent to act on its behalf with respect to the nominations, imbalance resolution, and/or billing under this Rate Schedule by executing an Agency Authorization Form in the form attached to this Rate Schedule. To the extent that the Agent appointed by the Customer is common to other Customers of the Company, the Company will permit such Agent to aggregate all such qualifying Customers' transportation quantities for purposes of administering service to such Agent. Once a Customer has designated an agent, the agent is then authorized to act on behalf of that Customer and as such, the agent can be considered as the Customer in all references contained within this Rate Schedule. The Customer may not change agents within the calendar month without the permission of the Company. All agents must utilize the electronic means made available by the Company in order to submit nominations. The Company may recover all costs incurred in providing the agent access to the electronic bulletin board.

MONTHLY OPTIONAL SALES SERVICE

At the option of the Customer, an election may be made monthly to purchase firm sales receive Standby Sales Service from the Company under this Rate Schedule for delivery to the Customer at the Company's city gate. The Customer will also receive Standby Sales Service as a default if the Customer or the Customer's agent fails to submit a timely and valid nomination for transportation service. In addition to paying the Monthly Standby Index Price set forth below for Standby Sales Service hereunder, ~~The Customer will utilize the transportation services and incur applicable the charges described below otherwise applicable under in this Rate Schedule~~ to cause such gas supplies to be delivered to the Customer's meter. The price which the Customer shall pay for the gas supplied under this paragraph will be the Monthly Standby Index Price defined as follows: "A The weighted average index price each for the applicable month as published in the first Natural Gas Week for such month in the table Spot Prices on Interstate Pipeline Systems in the column labeled "Bid Week", for:

Tennessee Gas Pipeline Co. Zone 0:South Texas	X	16.12% ¹
+		
Tennessee Gas Pipeline Co. Zone 1: South Louisiana	X	77.30% ¹
+		
Columbia Gulf Transmission Co.: Rayne, La.	X	6.58% ¹

If the Customer nominates transportation service hereunder and purchases gas supplies from a third party supplier, and such Customer's consumption exceeds actual deliveries to the Company from such third party supplier to the point where operational problems are created for the Company, then the Company shall have the right, at its sole discretion, to initiate Standby Sales Service to the Customer. The price for such service shall be the same as set forth above except when the Company is required by such imbalance shortfall to purchase incremental volumes of gas supplies. In this case the Customer receiving Standby Sales Service will pay the higher of (on a daily basis) the Monthly Standby Index Price or the Daily Standby Index Price defined as follows:

The midpoint daily index price as published in Gas Daily for the day of consumption as stated in the "Daily Price Survey", for the "Tennessee 500 Leg".

For days of consumption when the Gas Daily is not published, the Gas Daily price shall equal the price as published on the nearest subsequent day by Gas Daily.

Applicable firm transportation tariff commodity charges, fuel and any other surcharges as defined in the above transporters' FERC approved tariffs will be added to the above ~~weighted standby~~ index prices. The Company will collect gross receipts tax on the incremental gas related charges.

~~The Customer shall also pay a per unit supply reservation fee to be posted by the Company seasonally (October 1, to be effective November 1, and March 1, to be effective April 1). This fee will be calculated by dividing the total seasonal reservation fees to be paid under firm supply contracts by the total estimated seasonal volumes to be purchased under these contracts.~~

Any difference between the actual cost of gas incurred by the Company and the Index price as defined in the previous paragraph will be accounted for in the Actual Cost Adjustment account in a manner consistent with Rule No. 1220-4-1-12 of the TRA Rules and Regulations. Increments or decrements which may result from the PGA adjustments will not apply to the ~~Monthly Optional Sales Services~~ standby index prices.

MARGIN RATE

~~Customer Charge (per month)~~ \$75.00

Demand Charge (per therm of billing demand) \$.4567880000

Commodity Charge (per therm)

1st Step (0-15,000 therms) \$.0803408918

2nd Step (15,001-40,000 therms) \$.0738208195

3rd Step (40,001-90,000 therms) \$.0531905904

4th Step (Over 90,000 therms) \$.0228002530

MONTHLY CUSTOMER CHARGE

~~A charge will be billed monthly to all Customers for the availability of gas service. This charge will be in addition to the demand charge and commodity charge.~~

MONTHLY MINIMUM BILL

The minimum monthly bill shall be ~~the Customer charge plus~~ the monthly demand charge multiplied by the billing demand determined as described below.

BILLING DEMAND

The billing demand shall be determined as follows:

Customer billing demand determinate shall be the highest daily usage during the period from November 1 to March 31 of the previous winter period as metered and reported to the Company by the telemetering equipment installed by the Company. Changes to the Customer's billing demand determinate will become effective May 1 of each year. The per unit charge may be adjusted from time to time to reflect rate changes, including, but not limited to, a general change in system rates or a change in pipeline capacity charges billed to the Company.

For Customers commencing initial gas service under this Rate Schedule and who do not have a consumption history from other services provided by the Company, the billing demand determinate shall be ~~computed by multiplying the month of highest consumption for the period to date by .06 (6%)~~ based upon a reasonable assumption of usage considering the connected load.

If a Customer has received gas service from the Company prior to receiving service under this Rate Schedule but does not have daily telemetered records to determine peak day usage as described ~~in the above paragraph~~, the Company shall ~~use six percent (6%) of that Customer's highest previous winter month's consumption for the billing demand determinate~~ determine a billing demand based on the highest monthly level of consumption during the previous winter period multiplied by six percent (6%).

SERVICE AGREEMENTS

All Customers receiving service ~~pursuant to~~ under this Rate Schedule shall be required to execute the Company's standard contracts and/or service applications and shall be subject to the Company's Rules and Regulations as filed with and approved by the Tennessee ~~Public Service Commission~~ Regulatory Authority (TRA).

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for transportation service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with the Rules, Regulations and Orders of the TRA and the Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new ~~and/or~~ additional service or the transfer of existing service to a higher priority end use will be ~~supplied~~ considered based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, ~~and the TRA~~ Rules and Regulations, Orders of the TRA, and the Laws of the State of Tennessee.

SERVICE CURTAILMENT

Gas service under this schedule is subject to the ~~curtailment priority~~ provisions contained within TRA Schedule No. 6, "Schedule for Limiting and Curtailing Service".

UNAUTHORIZED GAS

~~In the event a Customer takes deliveries in excess of Customer's maximum allowable daily deliveries as specified in the Gas Service Contract without the Company's prior authorization~~

~~or fails to discontinue the use of service under this Rate Schedule after one hour's notice to do so, any additional usage shall be deemed unauthorized usage. The Customer shall pay for such unauthorized usage at a rate of \$1.50 per therm plus the commodity charge for gas provided under the Monthly Optional Sales Service provisions of this Rate Schedule plus the transportation charges applicable under this Rate Schedule.~~

**AGENCY AUTHORIZATION FORM
RATE SCHEDULE NO.7F**

DATE _____

CUSTOMER _____

NAME OF FACILITY

ACCOUNT NUMBER(S)

AGENT _____

AGENT CONTACT _____ PHONE # _____

This is to advise **Nashville Gas Company** that _____
(Customer) has authorized _____ (Agent) to act on
its behalf for the following transactions:

_____ nominations, _____ imbalance resolution, _____ billing,

of gas for the above listed account(s). Nashville Gas Company is hereby authorized to deal with the Agent directly, and by signature below, the Customer and the Agent understands that it is they are responsible, jointly and severally for any amounts due Nashville Gas Company under this Rate Schedule which are not paid by agent on these accounts. Customer will provide Nashville Gas Company with a revised "AGENCY AUTHORIZATION FORM" at least six (6) business days prior to changing Agents of the accounts designated.

AUTHORIZED
SIGNATURE _____
FOR THE CUSTOMER

AUTHORIZED
SIGNATURE _____
FOR THE AGENT

Please Print

AGENT'S NAME _____ TITLE _____

PHONE # _____ FAX # _____

MAILING ADDRESS _____

Please submit to: End User Transportation
Nashville Gas Company
A Division of Piedmont Natural Gas Company
~~665 Mainstream Drive~~ P O Box 33068
~~Nashville, TN 37228~~ Charlotte, NC 28233
Fax # 704-365-8740

RATE SCHEDULE NO. 7I

Interruptible Transportation Service

AVAILABILITY

Gas service under this Rate Schedule is available ON AN INTERRUPTIBLE BASIS to any full requirements non-residential Customer whose usage during any month of the 12-month period ended the 31st day of March was in excess of 15,000 therms. Availability under this Rate Schedule for new Customers will be based on reasonably anticipated usage. An existing Customer may also qualify for service under this Rate Schedule based upon reasonably anticipated usage by adding incremental load either by the installation of additional equipment or by increasing hours of operation. Service under this Rate Schedule is contingent upon the installation by the Company of telemetering equipment that reports daily consumption. A Customer will be transferred from this Rate Schedule to Rate Schedule 2 if the Customers' usage is 90% or less of the minimum required by this Rate Schedule. Any such transfers will be effective June 1 of each year. A Customer may request service under this Rate Schedule if 1) the Customer qualifies for service under TRA Rate Schedules 4 and/or 10, 2) the Company's distribution mains are suitable for rendering the desired service and 3) the Company has installed adequate telemetering equipment to measure the gas quantities taken hereunder. The Company will evaluate the consumption history for the preceding 12 month period ended the 31st day of March to determine if the Customer continues to qualify for service under this Rate Schedule. Any transfers to another schedule due to the Customer's lack of sufficient consumption will be effective June 1 of each year.

Once a qualified Customer elects ~~and has qualified for~~ service under this Rate Schedule, all services will be provided under the terms and conditions of this Rate Schedule for a term of ~~no less than 12 months~~ extending through the following May 31. Upon meeting the qualifications contained therein, a Customer may receive service under Rate Schedule No. 9 ~~coincident to concurrent with~~ service provided ~~by under~~ this Rate Schedule. Subject to the requirements of ~~the first sentence of this paragraph set forth above~~, a Customer may elect to discontinue service under this Rate Schedule and receive service under Rate Schedule No. 4 and/or 10 by giving written notice to the Company prior to March 1 of any year. Proper notice having been provided, the Customer may discontinue service under this Rate Schedule effective the first ~~May~~ June 1 following the notice.

Customers receiving services under this Rate Schedule shall maintain, in useable condition, alternate-fuel facilities with ample on-site alternate fuel capability for supplying 100% of the establishment's gas requirements during periods of gas interruption or curtailment. Such interruption or curtailment shall be immediately effective upon verbal or written notification by the Company, and Customer shall refrain from using gas until permitted to do so by the Company. It is understood and agreed that the Company will have the right to suspend gas service without further notice to the Customer in the event Customer fails to curtail Customer's use of gas in accordance with the Company's notice of curtailment.

APPLICABILITY AND CHARACTER OF SERVICE

Transportation service is available under this Rate Schedule to any qualified Customer connected to the Company's system who has obtained an independent supply of natural gas and has

arranged to have this supply delivered to one of the Company's existing delivery points for transportation by the Company to the Customer's facilities.

The Company will deliver **ON AN INTERRUPTIBLE BASIS** gas previously transported by a connected pipeline for the Customer's account under this Rate Schedule on a day-to-day basis in accordance with the Customer's scheduled and confirmed nominations. The Company reserves the right to suspend service on any day when, in the Company's sole opinion, its operating conditions are such that suspension of service is necessary. The Company reserves the right to limit, allocate, or direct third party gas nominations among the interstate pipelines serving the Company's distribution system, when, in the Company's sole opinion, such action is necessary to maintain the operational integrity of the system.

Receipts and deliveries of gas hereunder shall be at uniform rates of flow with no significant fluctuations or imbalance. Any imbalances shall be corrected by the Customer, insofar as practicable, during the month in which they occur. Customer may adjust its daily nominations during a month in order to correct any accumulated imbalance and maintain a monthly balance, subject to the operating limitations of the Company. The Company reserves the right to limit the amount of such imbalances to avoid operating problems and to comply with balancing requirements of any pipeline transporting gas hereunder. Customer will be responsible for any imbalance charges assessed by the pipeline in connection with any gas transported by the Company under this Rate Schedule. The Company reserves the right to reduce nominations when, in the judgment of the Company, such action is necessary to reduce or eliminate operational problems. Company will use its best efforts to notify the Customer or the Customer's agent before proceeding with a unilateral reduction and will notify Customer of any reduction to Customer's nomination that has been instituted by the Company.

By ~~noon~~ 10:30am central time ~~on the 20th day~~ four business days prior to the beginning of each month, the Customer shall inform the Company of its a) ~~election for the succeeding month to either transport gas under this Rate Schedule or purchase gas from the Company under the monthly optional sales service provisions of this Rate Schedule,~~ b) nomination of the daily quantity of gas to be transported ~~or purchased~~ for such month, and ~~eb)~~ choice of pipeline for transportation for such month. If the Customer does not provide a timely nomination to transport gas ~~provided by a party other than the Company,~~ the Customer will ~~have nominated Monthly Optional Sales Service provided herein by default~~ not be entitled to receive gas service. By ~~noon~~ 10:30am central time ~~four~~ six business days prior to the beginning of each month, the Customer must inform the Company of the nominating ~~supplier agent~~ supplier agent for gas to be transported ~~in order that the Company can confirm such nominations. Once the Customer makes the monthly election and nominations set forth above, any further changes during a month will require the Company's prior permission.~~

Changes to nominations for gas transportation within the month are due by 10:30am central time on the day prior to gas flow.

Notwithstanding the above, if ~~the Company interrupts its monthly optional sales service to Customer or a supplier interrupts its sales service to Customer being transported hereunder, and such interruptions by the Company or a supplier occur within a month, Customer may reschedule alternative gas supplies which may be available to Customer subject to:~~ a) normal daily

nomination and confirmation deadlines and procedures b) any operational limitations of the Company and c) the availability of interruptible transportation service hereunder.

~~As soon as practicable during the succeeding month, Customer shall provide the Company a copy of its supplier's written verification of actual quantities delivered during the preceding month.~~

BALANCING

It shall be the Customer's responsibility to maintain a daily and monthly balance with its transporting pipelines to avoid any assessment of penalties against the Company. If the Company is assessed a penalty by a Customer's transporting pipeline, the Company shall have the right to pass-through all such penalties to the Customer to the extent the Customer or Customer's agent is responsible for causing the Company to be assessed such penalties.

MONTHLY IMBALANCE RESOLUTION

Any differences between the quantities delivered to the Company's city gate facilities for the account of the Customer for the month, and the quantities consumed by the Customer as metered for the month, shall be the monthly imbalance. Unless the Company and Customer agree to correct imbalances in kind, this imbalance shall be resolved monthly by "cashing out" the imbalance as they are known to exist at that time. If the Customer consumes more gas than it has delivered to the Company, the Customer will be deemed to be "short" by the amount of the deficiency, the Company will sell gas to the Customer in an amount equal to the deficiency and at a price equal to the highest ~~w~~Weighted iIndex ~~p~~Price for any week beginning in the calendar month as published in *Natural Gas Week* plus the Tennessee Gas Pipeline FT-A charges inclusive of all surcharges and fuel times the premium percentage corresponding to the percentage of the deficiency listed in the table below. If the Customer consumes less gas than it has delivered to the Company, the Customer will be deemed to be "long" by the amount of the surplus, and the Company will buy the amount of the surplus by paying the Customer a price equal to the lowest ~~w~~Weighted iIndex ~~p~~Price for any week beginning in the calendar month as published in *Natural Gas Week* plus the Tennessee Gas Pipeline FT-A charges inclusive of all surcharges and fuel times the discount percentage corresponding to the percentage of the surplus listed in the table below. ~~The methodology for calculating the weighting between the Tennessee Gas Pipeline Zone 1 index and the Columbia Gulf Rayne index will be the same as hereinafter described under the Monthly Optional Sales Service.~~

Percentage of the Imbalance	Short (Premium)	Long (Discount)
Equal to or less than 5%	100%	100%
Over 5% & equal to or less than 10%	115%	85%
Over 10% & equal to or less than 15%	130%	70%
Over 15% & equal to or less than 20%	140%	60%
Over 20%	150%	50%

"The Weighted Index Price" shall be derived from the prices published in *Natural Gas Week* in the table Spot Prices on Interstate Pipeline Systems for the following pipeline designations and weighted by the corresponding percentages set forth below:

Tennessee Gas Pipeline Co. Zone 0:South Texas
±

X 16.12%¹

<u>Tennessee Gas Pipeline Co. Zone 1: South Louisiana</u>	<u>X</u>	<u>77.30%¹</u>
<u>Columbia Gulf Transmission Co.: Rayne, La.</u>	<u>X</u>	<u>6.58%¹</u>

¹ These percentages are the ratio of actual test period purchases for these two pipelines determined in the Company's most recent general rate case.

The Company will collect gross receipts tax on the incremental gross gas related charges

Any difference between the actual cost of gas incurred by the Company and the Index prices defined above will be accounted for in the Actual Cost Adjustment account in a manner consistent with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations. Increments or decrements which may result from the PGA adjustments will not apply to the cash-out mechanism.

AGENCY AUTHORIZATION FORM

A Customer may authorize an agent to act on its behalf with respect to the nominations, imbalance resolution, and/or billing under this Rate Schedule by executing an Agency Authorization Form in the form attached to this Rate Schedule. To the extent that the Agent appointed by the Customer is common to other Customers of the Company, the Company will permit such Agent to aggregate all such qualifying Customers' transportation quantities for purposes of administering service to such Agent. Once a Customer has designated an agent, the agent is then authorized to act on behalf of that Customer and as such, the agent can be considered as the Customer in all references contained within this Rate Schedule. The Customer may not change agents within the calendar month without the permission of the Company. All agents must utilize the electronic means made available by the Company in order to submit nominations. The Company may recover all costs incurred in providing the agent access to the electronic bulletin board.

MONTHLY OPTIONAL SALES SERVICE

~~At the option of the Customer, an election may be made monthly to purchase interruptible sales service gas from the Company under this Rate Schedule for delivery to the Customer at the Company's city gate. Sales service under this paragraph is equal in priority to sales provided under Rate Schedule 4 and will be subject to curtailment contemporaneously with sales service under Rate Schedule 4. The Customer will utilize the transportation services and incur applicable charges described below in this Rate Schedule to cause such supplies to be delivered to the Customer's meter. The price which the Customer shall pay for the gas supplied under this paragraph will be the Index Price defined as follows: "A weighted average index price each month as published in the first Natural Gas Week for such month in the table Spot Prices on Interstate Pipeline Systems in the column labeled "Bid Week", for:~~

~~Tennessee Gas Pipeline (TGP) Zone 0 X 16.12%¹~~

1 These percentages are the ratio of actual test period purchases for these two pipelines determined in the Company's most recent general rate case.

+		
Tennessee Gas Pipeline (TGP) Zone 1	X	77.30% [†]
+		
Columbia Gulf Rayne (CG-R)	X	6.58% [†]

[†] These percentages are the ratio of actual test period purchases for these two pipelines determined in the Company's most recent general rate case.

~~Applicable firm transportation tariff commodity charges, fuel and any other surcharges as defined in the above transporters' FERC approved tariffs will be added to the above weighted index price. The Company will collect gross receipts tax on the incremental gross gas related charges. The Customer shall also pay a per unit supply reservation fee to be posted by the Company seasonally (October 1, to be effective November 1, and March 1, to be effective April 1). This fee will be calculated by dividing the total seasonal reservation fees to be paid under firm supply contracts by the total estimated seasonal volumes to be purchased under these contracts.~~

~~If the Company notifies Customer of interruption of sales service hereunder due to the limits of its firm capacity or supply arrangements on upstream transporters and such interruption is not due to operational limitations on the Company's local distribution system, the Company will, at the request of individual Customers, attempt to secure supplemental pipeline capacity and supplies in order to continue premium interruptible sales service hereunder. The Customer must make the request for premium service by nominating daily quantities which the Customer will consume on a daily basis. Should the Customer consume more than the amount nominated for any day, the overage will be considered unauthorized and will be billed at the "Unauthorized Gas" rate as described herein. Should the Customer consume less than the amount nominated on a daily basis, the Customer will be scheduled to consume the remaining quantity immediately following the end of the period of interruption. If however, the remaining quantity is not consumed by the end of the calendar month, the surpluses will be treated as a monthly imbalance and cashed out accordingly.~~

~~If the Company is successful in securing supplemental pipeline capacity and supplies to offer premium interruptible sales service to the individual Customers electing such service, the price for such premium interruptible sales service shall be as follows:~~

~~A commodity price equivalent to the maximum interruptible transportation rate on Tennessee Gas Pipeline plus all applicable fuels and surcharges plus a gas cost equivalent to the mean of the range of prices for gas deliveries for the date of flow as shown in Pasha Publication Inc.'s publication "Gas Daily" under the heading "Daily Price Survey," "Tennessee, 500 leg." The daily price for any day for which Gas Daily does not publish shall be the price set forth in Gas Daily for the immediately succeeding day for which Gas Daily publishes a price.~~

~~Nothing stated herein shall allow Customer the right to continue consumption of gas supplies beyond the time of notification of interruption. Should the Company not be successful in arranging supplemental supplies, Customer shall discontinue use of gas hereunder immediately~~

~~Any difference between the actual cost of gas incurred by the Company and the Index prices defined above will be accounted for in the Actual Cost Adjustment account in a manner consistent with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations. Increments or decrements which may result from the PGA adjustments will not apply to the monthly optional or premium sales service hereunder.~~

MARGIN RATE

Customer Charge (per month) \$275300.00

Commodity Charge (per therm)

1st Step (0-15,000 therms) \$.08034

2nd Step (15,001-40,000 therms) \$.07382

3rd Step (40,001-90,000 therms) \$.05319

4th Step (Over 90,000 therms) \$.02280

MONTHLY MINIMUM BILL

The minimum monthly bill shall be the Customer Charge.

MONTHLY CUSTOMER CHARGE

A charge will be billed monthly to all Customers for the availability of gas service. This charge will be in addition to the commodity charge.

SERVICE AGREEMENTS

All Customers receiving service pursuant to this Rate Schedule shall be required to execute the Company's standard contracts and/or service applications and shall be subject to the Company's Rules and Regulations as filed with and approved by the Tennessee ~~Public Service Commission~~ Regulatory Authority (TRA).

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for transportation service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchase gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with the Rules, Regulations and Orders of the TRA and the Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new ~~and/or~~ additional service or the transfer of existing service to a higher

All requests for new ~~and~~or additional service or the transfer of existing service to a higher priority end use will be ~~supplied~~considered based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, the TRA Rules and Regulations, the Orders of the TRA, and the Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is interruptible and is subject to the ~~curtailment-priority~~ provisions contained within TRA Schedule No. 6, "Schedule for Limiting and Curtailing Service".

UNAUTHORIZED GAS

~~In the event a Customer fails to discontinue the use of service under this Rate Schedule after one hour's notice to do so, any additional usage shall be deemed unauthorized usage. The Customer shall pay for such unauthorized usage at a rate of \$1.50 per therm plus the commodity charge for gas provided under the Monthly Optional Sales Service provisions of this Rate Schedule plus the transportation charges applicable under this Rate Schedule.~~

**AGENCY AUTHORIZATION FORM
RATE SCHEDULE NO.71**

DATE _____

CUSTOMER _____
NAME OF FACILITY ACCOUNT NUMBER(S)

AGENT _____

AGENT CONTACT _____ PHONE # _____

This is to advise **Nashville Gas Company** that _____
(Customer) has authorized _____ (Agent) to act on
its behalf for the following transactions:

_____ nominations, _____ imbalance resolution, _____ billing,

of gas for the above listed account(s). Nashville Gas Company is hereby authorized to deal
with the Agent directly, and by signature below, the Customer and the Agent understands that
it is they are responsible, jointly and severally for any amounts due Nashville Gas Company
under this Rate Schedule which are not paid by agent on these accounts. Customer will
provide Nashville Gas Company with a revised "AGENCY AUTHORIZATION FORM" at
least six (6) business days prior to changing Agents of the accounts designated.

AUTHORIZED
SIGNATURE _____
FOR THE CUSTOMER

AUTHORIZED
SIGNATURE _____
FOR THE AGENT

Please Print

AGENT'S NAME _____ TITLE _____
PHONE # _____ FAX # _____
MAILING ADDRESS _____

Please submit to: End User Transportation
Nashville Gas Company
A Division of Piedmont Natural Gas Company
~~665 Mainstream Drive~~ P O Box 33068
~~Nashville, TN 37228~~ Charlotte, NC 28233
Fax # 704-365-8740

RATE SCHEDULE NO. 9

Special Availability Service

AVAILABILITY

Gas service under this rate schedule is available to any TRA Rate Schedule No. 3, 4, 7F, or 7I, or ~~10~~-Customer when the Company has gas supplies or services that it cannot sell at its established fixed rates where the Company's distribution mains are suitable for supplying the desired service. On such occasions, the ~~gas opportunity~~ is lost to the Company and its Customers. This Rate Schedule is designed to permit the Company to sell such gas and services at special rates for the purpose of enabling the Company to compete with ~~alternate fuels~~ alternative fuels and services available for use by its Customers.

Gas service under this Rate Schedule is available on a ~~temporary~~ limited term basis to Customers who are connected to the Company's distribution system and would otherwise qualify for commercial and industrial rate schedules and sales or transportation service, ~~who are connected to the Company's distribution system~~. Gas service may be provided under this Rate Schedule only in the event that the Company has ~~volumes of gas that cannot be sold~~ available supplies or services that cannot competitively be provided under other rate schedules ~~of the Company~~. Service under this Rate Schedule is temporary and the Company has the right to discontinue such service ~~up to 100% capacity~~. Gas service under this rate schedule will be curtailed prior to service under any other rate schedule.

In the event a Customer has zero consumption during any billing ~~period~~ month, this tariff will not apply and service shall be rendered pursuant to the Company's regular rate schedules for the class of service indicated for the purpose of determining a minimum bill and qualifying provisions.

BASE RATE

The Customer shall pay the Company for all gas supplied or services provided under this schedule at a predetermined rate negotiated prior to delivery for limited term periods up to seven consecutive months.

SERVICE AGREEMENTS

All Customers purchasing gas pursuant to this Rate Schedule shall be subject to the Company's standard contracts and/or service applications and subject to the Company's Rules and Regulations as filed with the TRA.

PAYMENT TERMS

All bills for service are due upon presentation and the above stated net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

RETURNED CHECK CHARGE

In the event a Customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the Customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for service are subject to adjustment caused by changes in the cost of purchased gas in

accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated base rates in accordance with The Rules, Regulations and Orders of the TRA and Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new and additional service or the transfer of existing service to higher priority end use will be supplied based upon the Company's judgement as to the available gas supply, Customer's load factor or use pattern, end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is subject to the ~~curtailment~~ provisions contained within TRA Schedule No. 6, "Schedule for Limiting and Curtailing Service."

TREATMENT OF NEGOTIATED MARGIN LOSSES

Margin losses under this rate schedule shall be recovered by the Company through the Company's Actual Cost Adjustment (ACA) as provided in the Company's Purchased Gas Adjustment (PGA) Rider (TRA Service Schedule No. 11).

RATE SCHEDULE NO. 10

Resale Service

AVAILABILITY

Sales for Resale Service is available under this rate schedule to any qualified local distribution company who purchases natural gas for the purpose of reselling same, where the Company's distribution mains are suitable for supplying the desired service.

MARGIN RATE

Demand Charge (per therm of billing demand)	\$.09894 <u>\$.80000</u>	
Commodity Charge (per therm)	\$.04949 <u>\$.07000</u>	

MONTHLY MINIMUM BILL

The minimum monthly bill shall be the monthly demand charge.

BILLING DEMAND

Demand determinants shall be those agreed to in the contract.

SERVICE AGREEMENTS

All customers purchasing gas pursuant to this schedule shall be subject to the Company's standard contracts and/or service applications and subject to the Company's Rules and Regulations as filed with the TRA.

PAYMENT TERMS

All bills for service are due upon presentation and the net rates are applicable if payment is made on or before the last date of payment stated on the bill. Payments made after that date shall be for the gross amount which is greater by five percent (5%) than the net billing.

NASHVILLE GAS COMPANY
665 Mainstream Drive
Nashville, Tennessee 37228
A Division of Piedmont Natural Gas Company
TRA Rate Schedule No.10

Original Sheet No. 10
Page 2 of 2

RETURNED CHECK CHARGE

In the event a customer's check for payment is returned to the Company marked NSF (Non Sufficient Funds) the customer will be assessed a charge of \$20.00.

ADJUSTMENTS

Bills for service are subject to adjustment caused by changes in the cost of purchased gas in accordance with Rule No. 1220-4-1-.12 of the TRA Rules and Regulations.

Purchased gas adjustments and all applicable taxes and fees are in addition to the above stated margin rates in accordance with The Rules, Regulations and Orders of the TRA and Laws of the State of Tennessee.

SERVICE AVAILABILITY

All requests for new and additional service or the transfer of existing service to higher priority end use will be supplied based upon the Company's judgement as to the available gas supply, customer's load factor or use pattern, end use priority as specified by the Federal Energy Regulatory Commission (FERC), impact on the local economy, and The Rules, Regulations, and Orders of the TRA and Laws of the State of Tennessee.

SERVICE INTERRUPTION AND CURTAILMENT

Gas service under this schedule is subject to the curtailment provisions contained within TRA Schedule No. 6, "Schedule for Limiting and Curtailing Service".

SERVICE SCHEDULE NO. 13

Weather Normalization Adjustment

(WNA) Rider

I. Provision for Adjustment

The base rates per therm (100,000 Btu) for gas service set forth in any rate schedules utilized by the Authority in determining normalized test period revenues shall be adjusted by an amount hereinafter described, which amount is referred to as the "Weather Normalization Adjustment".

The Weather Normalization Adjustment will be applicable for bills rendered on and after November 1 and continuing through the final billing cycle in March of each year.

II. Definitions

For the purposes of this Rider:

"Authority" means the Tennessee Regulatory Authority.

"Relevant Rate Order" means the final order of the Authority in the most recent litigated rate case of the Company fixing the rates of the Company or the most recent final order of the Authority specifically prescribing or fixing the factors and procedures to be used in the application of this Rider.

III. Computation of Weather Normalization Adjustment

The Weather Normalization Adjustment shall be computed to the nearest one-hundredth cent per therm by the following formula:

$$WNA_i = R_i \quad * \quad \frac{(HSF_i(NDD-ADD))}{(BL_i + (HSF_i \times ADD))}$$

Where:

I = any particular rate schedule or billing classification within any particular rate schedule that contains more than one billing classification.

WNA_i = Weather Normalization Adjustment Factor for the i^{th} rate schedule or classification expressed in cents per therm.

R_i = weighted average base rate (base rate less any embedded gas cost) of temperature sensitive sales for the i^{th} schedule or classification utilized by the Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues.

HSF_i = heat sensitive factor for the i^{th} schedule or classification utilized by the Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues.

NDD = normal billing cycle heating degree days utilized by the Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues.

ADD = actual billing cycle heating degree days.

BL_i = base load sales for the i^{th} schedule or classification utilized by the Authority in the Relevant Rate Order for the purpose of determining normalized test year revenues.

IV. Filing with Authority

The Company will file as directed by the Authority (a) a copy of each computation of the Weather Normalization Adjustment, (b) a schedule showing the effective date of each such Weather Normalization Adjustment, and a schedule showing the factors or values derived from the Relevant Rate Order used in calculating such Weather Normalization Adjustment.

NASHVILLE GAS COMPANY
WNA Components

	<u>Residential</u>	<u>Commercial</u>
"R" Value:	0.29884 <u>35096</u>	0.32596 <u>35095</u>
Heat Sensitivity Factor	0.20232 <u>18769</u>	0.82050 <u>79321</u>
Base Load:	14.24667 <u>13.018</u>	136.47892 <u>126.066</u>